

MBHASHE LOCAL MUNICIPALITY



DRAFT ANNUAL REPORT 2015/16

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CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

a. Vision and Background

The content of this report confirms why Mbhashe Municipality it has been through this financial year, endeavored to have sound management in finance, good cooperative governance, provide strategic direction, capacitate and encourage skills competencies, so to earn a rightful place amongst the most progressive municipalities. The last reviewed IDP that was conducted in 2015/16 financial year is a prove of a mandate that our communities gave to the municipality in 2011 to improve the quality of their lives. Like all prior years then 2015/16 financial year has been year of rebuilding our Municipality and improve its image, so that its citizens can once again be proud to be residents of the Mbhashe Local Municipality. To achieve this process we have to be visionary, hardworking and committed from both political and administration, and work collectively as Council. This annual report which also outlines the implementation and achievement of these objectives conform to the various pieces of legislation such as section 46 of the Local Government: Municipal Systems Act No.32 of 2000 and sections 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003. The Municipality progressed significantly in achieving objectives with regard to the five key performance areas applicable to local government and which is outlined in this Annual Report:

1. Basic Service delivery and infrastructure development
2. Municipal transformation and development
3. Local Economic Development
4. Municipal Financial viability and management
5. Good Governance and Public Participation

This Annual Report outlines in detail the projects that were implemented in the current budget year under review.

We are obligated to prepare an Annual report which its main objective is to reflect on the performance of the Municipality for each financial year. This report is prepared in terms of the provisions of section 121(1) of the Municipal Finance Management Act as well as section 46(1) of the Municipal Systems Act of 2000.

b. Key Policy Development

In preparing for the strategy formulation process that was going to be implemented during the financial year under review, it was important to ensure that the general guidelines related to crosscutting dimensions were adequately considered when designing strategies and projects planned. To facilitate these requirements , asset of localised strategy guidelines was formulated regarding the following priorities:

- Poverty Alleviation
- Gender Equality
- Sustainable Environment

The Key Performance Areas for Local Government were used throughout the process to guide the strategy formulation, project identification and integration to ensure smooth alignment at the end.

c. Service Delivery Improvements

In line with what we have set ourselves to achieve during the period under review, and in what is contain in our Action Plan to address the queries raised by the Auditor General in his Audit Report 2014/2015, aligning our action to that of the Municipal Turnaround Strategy, the municipality has

improved a lot with regard to providing sustainable services to our communities.

In the year under review the municipality has made a significant progress in the following strategic areas

- Preparation and approval of budget and credible IDP for the next five years
- Strengthening of Intergovernmental relations
- 100% of Expanded Works Programme Grant
- 100% of expenditure of the Municipal Infrastructure Grant
- Compilation and submission of annual financial statements to the Auditor General on time

We have put mechanisms in place to enhance internal control measures so as to ensure accountability, transparency and responsiveness to the community issues. The municipality has established the following functional committees:

- Municipal Public Accounts Committee
- Audit and Performance Audit Committee
- Risk Management Committee
- IDP Steering Committee
- Training Committee
- Local Labour Forum

These committees and all other measures that are in place have increased the municipality's ability to provide services to our communities.

d. Public Participation

During the year under review, apart from the normal council meetings, the normal Councillor ward meetings with the ward committees; and the annual IDP/Budget processes meetings, the municipality introduced a Community Based Planning where all the stakeholders within a ward took part in a week long Community Based Planning session to develop a Ward plan for each of the 31 Wards within the Municipality. Ward Committees forms an integral part of our municipality and all Ward Committees have been established and remain intact and ensure that public representatives have direct contact with communities.

Through the collaboration with the Eastern Cape COGTA Tshani Consultant was contracted by the department to develop the ward based plan for Mbhashe Local Municipality. The Ward Plans developed during this year will be brought forward to assist with the municipality with their future plans.

e. Future Actions

The municipality is doing all it can to put up infrastructure development within the municipal area. The following area will be addressed in future:

- Roads and Storm Water Infrastructure
- Electricity network infrastructure

To enhance revenue collection, the Revenue Enhancement Strategy has been developed and will need reviewal in the next financial year, the municipality also appointed a debt that will assist the municipality in the collection of old debts.

We have approved a reviewed organogram that addresses the changing legislation and meeting the current demand, and most of the critical positions have been filled and funded structure will be in place by June 2015/2016 financial year.

f. Agreements/Partnership

The municipality is proud to mention that it could not have achieved all this objective if it was not with the generous partnerships from the following:

- ADM municipal support unit
- Provincial Treasury
- Office of the Auditor General
- All the Service Providers that were assisting during the financial year

g. Conclusion

The municipality worked closely in the year under review with our communities and will lobby hard to reinforce the need for support from the National and Provincial level of government, as well as the district municipality.

Executive Committee, the whole Council and the Municipal Administration that I was working with worked very hard in realizing our vision and making it a practical reality during the five year period. We thank the people of Mbhashe for their trust on us even on difficult situations.

NONCEBA O. MFEKANE
MAYOR

COMPONENT A: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

MUNICIPAL MANAGER'S OVERVIEW

This Annual Report is in terms of Section 121 of the Municipal Finance Management Act No 56 of 2003. The provisions of this section compels the municipality to give an account of its activities during the 2015/16 financial year, provide a report on performance against budget and to promote accountability to the local community for the decisions made throughout the financial year. This is the hallmark of a Developmental State. Public Resources can only be effectively and efficiently utilized to make the lives of the poor and ordinary people better if there is proper identification of needs, planning and the satisfaction of those needs in consultation with the local communities.

The following areas defined the main activities for the year under review:

- Provision of up to 564 EPWP job opportunities especially in the Waste Management environment
- Managed to reduce vacancies from 118 vacant posts in 2014/15 to below 50 vacancies
- Electrification of 1400 households through the Integrated National Electricity Program (INEP)
- Collecting refuse in more than 20 000 rural households in the Dutywa area
- Increased revenue collection to R5.7m
- Maintenance of 691 km of gravel road mainly using in-house Machinery and Personnel

The overall performance for the period is 62%, this is a product of audited quarterly performance reports that were submitted to the Audit and Performance Audit Committee and Council throughout the year. The institutional scorecard was reviewed to be in line with the Back to Basics indicators and

monthly reports were submitted to provincial CoGTA.

In order to ensure adherence to Good Governance, the municipality has a functional Audit and Performance Audit Committee which meets and reports to Council according to their Charter. The Internal Audit unit is also fully staffed and functional whilst it has been further capacitated by a co-sourcing arrangement. All Council oversight structures are in place and functional.

Despite being an election year, the municipality's endeavors to enhance public accountability and participation paid off as the violent public protests which had engulfed most parts of the country were confined to a few wards. Ward Committees were functional in all wards though very few submitted monthly reports. Mayoral Imbizo's, IDP and Budget Roadshows, Project Steering Committees and Public meetings were held throughout the financial year to listen to the needs of the people whilst communicating the plans of government with respect to development in all sectors.

Local, District and Provincial Intergovernmental Forums were convened and/or attended in order to ensure co-operative governance.

MR S.V. POSWA

MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

ENVIRONMENTAL OVERVIEW

Mbhashe Local Municipality (EC 121) is a category B municipality which falls within the Amathole District Municipality (ADM) and consists of 31 wards, 61 Councillors and 12 Traditional leaders. The municipality is strategically located in the South Eastern part of the Eastern Cape Province, and is bound by the Qhora River in the south to Mncwasa River in the north along the Indian Ocean.

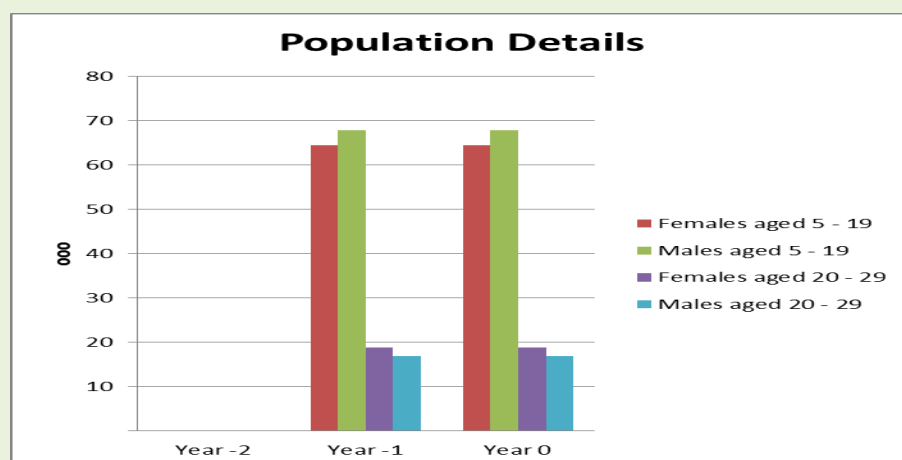
Mbhashe Local Municipality (MLM) occupies a strategic geographic position within the Amathole District municipality and covers approximately 3200 km² in extent (after the last national elections). There are three main urban centres, namely Dutywa, Willowvale (Gatyana) and Elliotdale (Xhora). Dutywa is the administrative head centre of the municipality. Mbhashe has earned the name from the beautiful river called Mbhashe which flows from the banks of Ngcobo flowing through Dutywa, Gatyana (Willowvale) and Xhora (Elliotdale). Mbhashe is comprised of the three towns of Dutywa, Gatyana and Xhora and numerous rural settlements. The area also boasts the head offices of the AmaXhosa Kingdom at Nqadu Great Place.

The municipality has total population of 254 909 with a household of 60 124 resulting a household size of 4.24 according to the 2011 Stats SA Census. This indicates that Mbhashe has an increase of population and household by 1 537 (1%) and 6 925 (13%) compared to 2001 Stats SA Census resulting a reduction in household size from 4.76 to 4.24.

Based on the figure above, it can be deduced that the Mbhashe population is largely youthful with about 44% being children (ages 1 -14) of school going ages while another 29% can be regarded as youth falling between ages 15 and 35. A total of 78% of the population of Mbhashe is composed of youth between the ages of 0-34. It is imperative for Mbhashe to prioritise a substantial amount of those programmes that talks to the Youth development. Social Needs and Special Programmes should champion this exercise. On the gender analysis, it has been established that, by and large, there is a fair balance between the males and females, standing at 55% and 45%, respectively. The majority 98% of local inhabitants are African with the balance shared between formerly classified white, coloured and Indian people. According to Community Survey 2007 an estimated population of over 95% reside in rural (communal-traditional and village areas) and peri-urban (sprawl and informal settlements) areas. Mbhashe can be regarded as a rural municipality.

Population Details									
Age	Year -2			Year -1			Year 0		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 19	68	64	132	68	64	132	68	64	132
Age: 20 - 29	17	19	36	17	19	36	17	19	36
Age: 30 - 49	15	25	40	15	25	40	15	25	40
Age: 50 - 64	10	16	26	10	16	26	10	16	26
Age: 65+	8	13	21	8	13	21	8	13	21
Source: Statistics SA T 1.2.2									

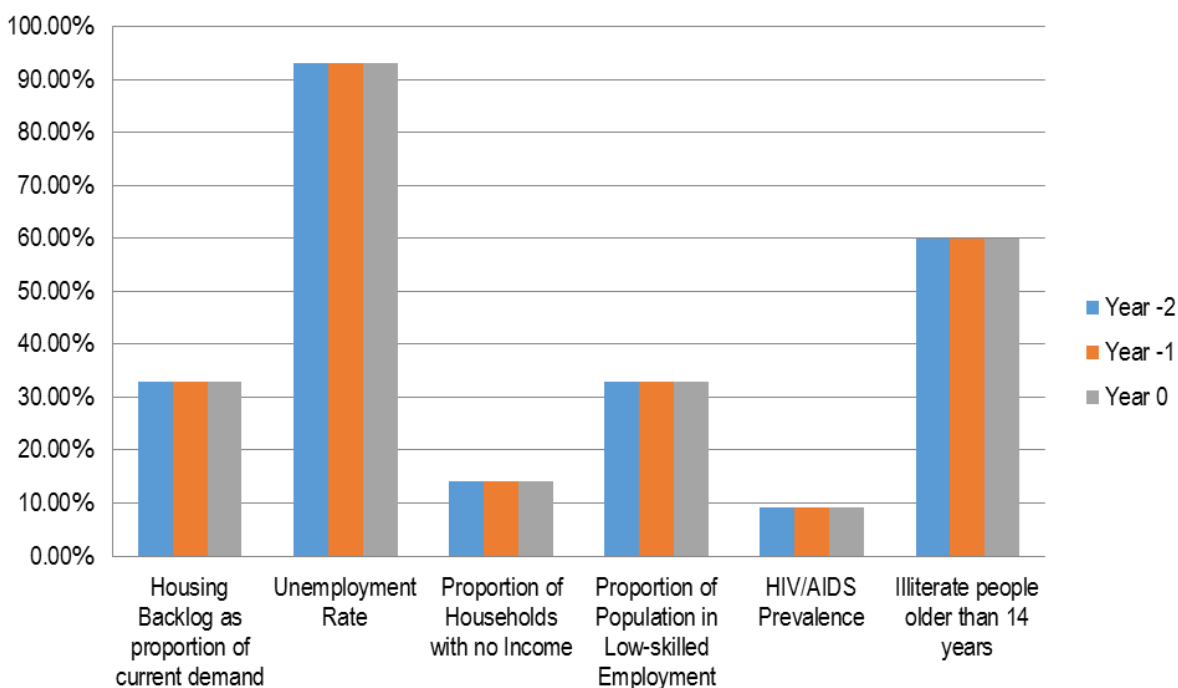
Source: Statistics SA



SOCIO-ECONOMIC STATUS

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -2	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year -1	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
Year 0	33.00%	93.00%	14.00%	33.00%	9.20%	60.01%
T 1.2.4						

Socio Economic Status



OVERVIEW OF NEIGHBOURHOOD WITHIN MBHASHE

SETTLEMENT TYPE	HOUSEHOLDS	POPULATION
TOWNS		
Dutywa	751	3 755
Gatyana	404	2 020
Xhora	374	1870
Sub-total	1529	7 645
TOWNSHIPS		

Dutywa	1 653	9 919
Gatyana	80	492
Xhora	142	855
Sub-total	1 875	11 266
RURAL SETTLEMENTS		
Dutywa	17 692	67 871
Gatyana	18 150	77 871
Xhora	20 312	87 870
Sub-total	56 154	233 612
INFORMAL SETTLEMENTS		
Dutywa (GPO)	150	450
Dutywa (Zone 14)	215	1 315
Gatyana (Police camp)	201	621
Agriculture	13	52
Sub-total	579	2 438

NATURAL RESOURCES	
Major Natural Resource	Relevance to Community

Arable lands	High quality of soils suitable for crop production and animal farming
Forest assets or existing vast tracts of land for future forestation	Existence of high demand for wood products with longer return on investments
Fisheries and Marine	Proven untapped potential for aqua-culture business
Coastline natural beauty	Undeveloped tourism offerings at coastline can be used to solicit good revenue
Heritage tourism	Heritage tourism can also bring more revenue in community through the established routes as such Phalo routes.
Mining	Many communities in Mbhashe are endowed with mining opportunities such as granite and sand, however these communities are not licenced to mine. Such opportunities need to be explored

COMMENT OF BACKGROUND DATA

The primary sector agricultural activities taking place in Mbhashe Municipality is mainly focused on very low base crop production and livestock farming at subsistence can be improved. The sector is underdeveloped and not diversified and had a subdued contribution to both the GDP and the GVA. Small-scale and subsistence farmers in the Municipality are not producing at optimal levels, due to a number of constraining factors such as drought, plant diseases, non-fencing of agricultural land etc. It is, therefore, important that emerging farmers are supported in expanding their farming activities into viable and sustainable enterprises that will not only increase the income generated and jobs created by these agricultural activities, but will also grow sufficiently to form the basis of further beneficiation opportunities. The farming activities should also include the aqua-culture farming, forestry, livestock farming, and game farming.

The development of the tourism industry at Mbhashe LM is based on giving people a reason to come, a reason to stop, a reason to stay and a reason to spend. This means that any destination should first comprise a unique and specific asset, that people should be made aware of this asset in order to attract them to the destination, that they should be provided with a range of additional attractions and activities to ensure that they stay in the area for longer, which will then ensure that their money is spent at the location.

The rural picture in Mbhashe Municipality is bleak from a poverty perspective. Yet rural areas have

tourism potential and emerging rural entrepreneurs can tap into this as an economic platform, to sustain their livelihoods, increase their incomes, and to create jobs. Rural areas often find it difficult to compete in traditional industries such as the manufacturing. Due to the remote nature of many of these Mbhashe municipal areas, distance to markets is often a major factor that impedes competitiveness. In addition, our rural communities often don't have access to major markets, so the kinds of products or services that can be delivered are limited. Rural entrepreneurs are currently largely excluded from the economy. The poverty rate in rural areas is 63% compared to 22% in urban areas (Presidency.gov). There is an urgent need for economic and social equality across rural South Africa, and capacity building combined with access to markets can help change this.

Mbhashe municipality's answer is to use co-operative and enterprise support programme, the world's largest job creator and a sector with huge growth potential in the Amathole region, to drive income into rural areas and to help sustain and grow jobs. Tourism is one of the sectors where our rural areas can compete on a global scale and it is one of the few industries where the market comes to the product, because rural areas have a wealth of natural and cultural assets that meet the demand for nature-based, off-the-beaten-track experiences. This means that small players have an equal opportunity to gain a share of the market. The industry has the potential to create sustainable jobs on a large scale if managed effectively.

Thus the municipality's strategic thrust is therefore, aimed at stimulating the development of the Tourism industry in Mbhashe Municipality, by taking full advantage of the unique cultural, coastal, historical and natural assets found in the Municipality. The purpose is therefore to ensure that these tourism attractions and activities are effectively developed and marketed, in order to establish Mbhashe Municipality as a unique and worthwhile tourism destination.

1.3. SERVICE DELIVERY OVERVIEW

SERVICE DELIVERY INTRODUCTION

In terms of service delivery, Mbhashe Local Municipality managed to achieve the total number of 30 Key Performance Indicators. In roads the Municipality constructed 32KM of new Roads and maintained 691KM of gravel roads. In Electricity the municipality achieved 3097 connections of non- grid and as well as 1424 grid and 1153 is connected by ESKOM. The municipality has also managed to complete 6 Community halls that will be user friendly to the community, 4 still on construction and renovated 10 community halls. The municipality also managed to facilitate construction of 2500 houses in Elliotdale rural and about 700 in Dutywa Township in the 2015/16 financial year.

Mbhashe municipality is responsible for providing Waste Management services to its areas of jurisdiction. Waste Management Services is the main municipal service rendered by Mbhashe and as such should receive the requisite attention from the institution.

Since the establishment of Mbhashe LM in 2000, this service has generally been provided to urban areas and surrounding townships of Dutywa, Willowvale and Elliotdale only. Rural areas are generally using a range of temporary mechanisms such as own dump within the yard, food for waste programme and illegal dump sites.

According to census 2011 report, Mbhashe is providing the waste management services to only not more than 5% of its households. It also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

- I. 95% of urban households
- II. 75% of rural households
- III. 80% of waste disposal sites have permits
- IV. 80% of Municipalities running local waste awareness campaigns
- V. 80% of schools implementing waste awareness programmes

Using the above figures as a measure of success, Mbhashe LM would not have difficulties achieving the above targets by 2016, except for the provision of waste management services to the rural areas.

A number of initiatives by various sector departments and other sector partners have been put in place in our area, key among them being the following:-

- I. ADM's EPWP (alien vegetation eradication, waste management)
 - II. DPW's integrated EPWP incentive grant
 - III. Department of Environmental Affairs (DEA)'s Environmental Protection and Infrastructure Programmes (EPIP) programme
- Working for the Coast programme
 - Mbhashe Street Cleaning and beautification

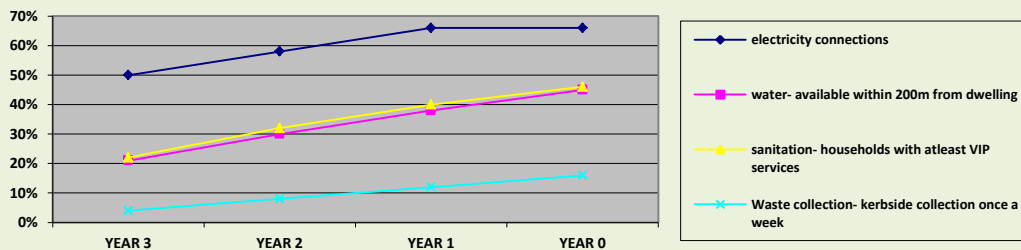
Challenges:

- (i) Municipality is relying on grants for development of infrastructure
- (ii) Huge electricity backlog
- (iii) Shortage of personnel
- (iv) Limited grants on maintenance of community services
- (v) Lack of funding on disaster mitigation
- (vi) No funds for infrastructure and internal reticulation
- (vii). Slow processing of applications and appointment of service providers by department of Human Settlements
- (viii) Lack of funds for day to day operations of the Library
- (ix). Negligence of stakeholders on community safety matters

(x). Lack of institutional capacity

The greatest challenge of them all is the limited access, especially by the indigent and rural communities to the waste management services.

PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES



COMMENT ON ACCESS TO BASIC SERVICES

The Municipality underperformed on achieving the planned number of electricity connections due the adjustment of budget by DOE from R21M to 3M in Year 0. In terms of waste collection, the municipality is only serving urban areas not the rural areas. Amathole managed to fast track rural sanitation in terms of VIP and providing water supply within 200m from each household, however there is still huge backlog for water. From the above diagram, it is clear that only 4% of the population of Mbhashe has access to the basic waste management services. Such an anomaly could be attributed to the fact that Mbhashe is predominantly rural and waste management services are currently provided to the urban and peri-urban households, thereby leaving the vast majority of the rural households without these services.

1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The Mbhashe Local Municipality has managed to accelerate service delivery by fully spending on capital grants. During the 2015/2016 financial period the municipality has had to tap into its reserves to fund some of the infrastructure related projects. This was due to dishonored roll over applications for projects that were initially funded by MIG, but due to historical low spending patterns National Treasury dishonored our applications. At the end of February 2016, the municipality had already spent 100% of its MIG allocation the 2015/2016 financial period. This created some cash flow problems for the municipality as it

had to again tap into its reserves to fund some of the projects in the form of front-loading in anticipation for the next year's allocation. However on the other side this is a positive indication that the municipality is accelerating its service delivery to the communities. Nevertheless, the municipality still maintains cash reserves, which means that the municipality is in healthy financial state as it has sufficient income to meet operating expenses and debt commitments.

There has been a major improvement with the financial management practices of the municipality as evident from the reduction of qualification paragraphs from 5 to 1 in the previous audit report.

Outstanding debt is another concern for the municipality just as it is for all municipalities; therefore one of our main priorities was to focus around debt collection. To enhance our debt collection processes the municipality utilized the services of a Debt Collector. This has yielded positive results as the municipality has managed to collect R 5 786 919 by the end of the financial year.

In summary the municipality is in the sound financial position and can be considered as a going concern.

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	301 097 000.00	290 050 000.00	275 018 874.41
Taxes, Levies and tariffs	6 764 588.00	7 764 588.00	7 863 467.58
Other	60 713 559.00	77 364 907.00	45 313 068.87
Sub Total	368 575 147.00	375 179 558.00	328 195 410.86
Less: Expenditure	407 785 457.00	415 095 469.00	354 856 282.26
Net Total*	-39 210 310.00	-39 915 911.00	-26 660 871.40

Operating Ratios	
Detail	%
Employee Cost	34%
Repairs & Maintenance	12%
Finance Charges & Impairment	9%

COMMENT ON OPERATING RATIOS:

Employee Costs

The employee costs are 34% of the total operating budget. This is within the threshold of 35% guideline set by National Treasury. This allows the municipality to use its budget for other municipal functions. The previously reported high vacancy rate has been addressed in the 2015/16 that contributed to the increased percentage spending against the operating budget.

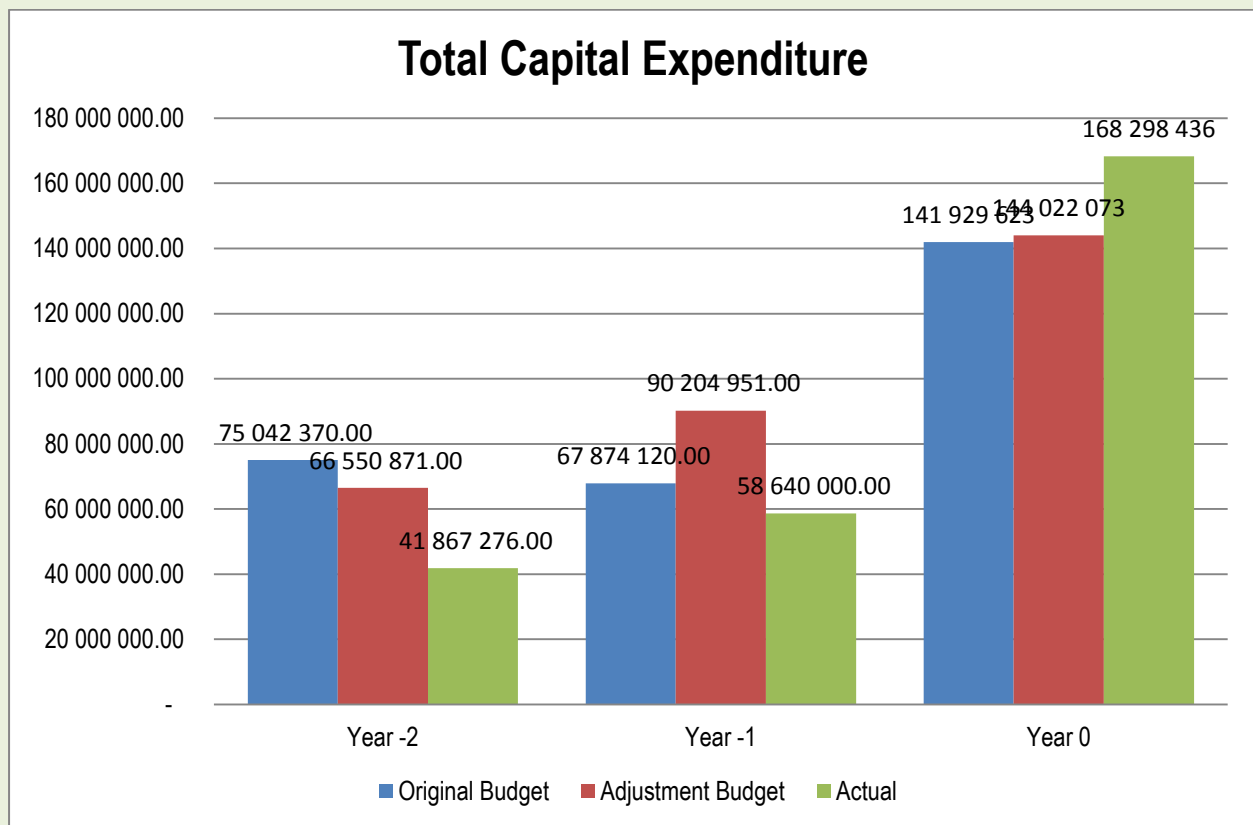
Repairs and Maintenance

These costs are at 12% of the total budget. The municipality is yet to implement sufficient asset management processes to adequately budget for repairs and maintenance, thus this figure will increase in the coming years.

Finance Charges

The non-cash items costs are at 9%. This is due to provision for depreciation and doubtful debt which the municipality is required to budget for annually. These non-cash items are not funded in the budget, this status will have to be addressed in the coming years.

Total Capital Expenditure: Year -2 to Year 0			
			R'000
Detail	Year -2	Year -1	Year 0
Original Budget	75 042 373.63	67 874 120	141 929 623
Adjustment Budget	66 375 870.48	90 204 951	144 022 073
Actual	38 253 579.00	58 640 000	168 298 436



COMMENT ON CAPITAL EXPENDITURE

The original capital budget for the 2015/2016 amounted to R 141 929 623. During the adjustment budget the capital budget was increased by R 2 092 450 which is equal to 1% of the original budget. This resulted in the Adjustment Budget amounting to R 144 022 073.

The actual spending on capital expenditure for the 2015/2016 financial year amounted to R 168 298 436 which is 17% over the total adjusted budget. This high expenditure pattern were due to the municipality using its own funds to accelerate service delivery backlogs. The over expenditure was approved by council.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

The municipal organizational development department is tasked with Human Capital Management, Human Capital Development, Labour Relations, Occupational Health and Safety, Corporate Administration and ICT and Records Management.

The municipality has a workforce of approximately 226 permanent employees. The municipality has managed to place 33 interns. All Senior Managerial positions in terms of Section 56 have been filled; except for the position of Legal and Compliance Manager.

The recruitment processes for the remaining post of Legal and Compliance Manager is underway in order to be filled.

15 Job Descriptions compiled and signed, ready to be submitted to Amatole District Municipality for evaluation purpose.

Staff development initiatives during financial year

Municipality has a Workplace Skills Plan in place to develop and capacitate its staff. 67 of employees participated in different learning programs and interventions during 2015/16 financial year. In addition, seven (7) of bursaries were awarded to permanent employees. Municipality has also programs in place for training and empowerment of unemployed graduates and experiential learners which over 2015/16 financial year those unemployed graduates and experiential learners received training in various fields.

The budget allocation for 2015/16 was R 1.4 million while total expenditure was R580 184

1.5.2

Employees pension and medical aid

Information regard to employees pension fund and medical aid is reflected below:

Name of the Pension Fund	Number of members	Name of medical aid societies	Number of members
Eastern Cape Group Municipal Pension Fund	84	Bonitas	26
SAMWU National Provident Fund	64	LA Health	33
CRF	01	KeyHealth	4
MEPF (Akani)	0	SAMWU Med	13
MCPF	0	Hosmed	56

1.6. AUDITOR GENERAL REPORT

AUDITOR GENERAL REPORT YEAR 0 (CURRENT YEAR)

1.7 MUNICIPAL ANNUAL REPORT PROCESS ACTION PLAN FOR FY2015/16

Nr	Description of activity	Timeframe	Actual Date	Responsible Person/
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				Department
1	Prepare Annual Report information as per the National Treasury format including the Annual Performance Report	01 July - 13 August 2015		MM
2	Tabling of the draft Annual Report to the Management team	01-Aug-16		MM
3	Tabling of the Annual Report to Audit Performance Committee	09-Aug-16		MM
4	Tabling of the Annual Report to Executive Committee	12-Aug-16		MM
5	Tabling of the un-audited Annual report to Council. The Annual Report submitted complies with the requirements of Section 121(3)(a-k).	26-Aug-16		Mayor
6	Council to submit un-audited Annual report to MPAC for verifying of councils' directive on service delivery & senior managers (Section 56) performance against signed performance agreements	31-Aug-16		MM
7	Submission of un-audited Annual Report to Auditor-General including the Annual Financial Statements and Annual Performance Report	31-Aug-16		MM
8	Public participation process for Annual Report in terms of Section 130 of MFMA	September - October		MPAC/Speaker's Office
9	Municipality considers AG's report on the audit of the Annual Report and complies with Section 126 (5)	November		Municipal Manager
10	Convening of the MPAC to consider the Annual Report. This must be concluded within 7 days of receipt of AGs report.	November		MPAC/Speaker's Office
11	Mayor tables audited Annual Report and financial statements to Council	December		Mayor
12	Publicizing of the Annual Report for public comments in terms of Section 127 (5) (a) of the MFMA (after adoption by Council)	December		MM
13	MPAC finalises assessment on Annual Report and develops an Oversight Report	December		MM/Speaker's Office
14	Adoption of the Oversight Report by Council in terms of Section 129 of the MFMA	December		Council
15	Publicizing of the Oversight Report as per Section 21(a) of the Municipal Systems Act and Section 75 of MFMA	December		MM

16	Submission and circulation of the Annual Report, Annual Financial Statements and Oversight Report to Provincial Legislature in terms of Section 132 (1 & 2) of the MFMA	December		MM
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COMMENT ON THE ANNUAL REPORT PROCESS:

There has been an improvement in the Annual report process for the year under review. The municipality is currently working on setting up business processes that will ensure that quarterly performance assessments culminate into the annual report process.

In addition, an Annual performance report has been developed which also assesses the performance of service providers for the year under review.

The annual report Of 2015/16 was compiled in accordance with requirements of section 121 of the MFMA, 56 of 2003 and section 46 of MSA, 32 of 2000 as well as the format prescribed by National Treasury and the purpose of the report is

- to provide feedback on the activities of the municipality
- to provide a report on performance in service delivery and budget implementation for year end
- to promote accountability to the community for the decisions made from July 2014 to June 2015

This Annual Report has been developed according to the provisions of circular 63 of the MFMA which indicates that real transparency and accountability can only be achieved where there is a clear link between the strategic objectives agreed with the community, the IDP, the Budget and SDBIP, in year reports, Annual Financial Statements, Annual Performance Report and the Annual Report

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Mbhashe Local Municipality is constituted in terms of Section 12 read with Section 18 of the local government Municipal Structures Act no 117 of 1998 and consists of 61 Councillors and 12 Traditional Leaders. The Municipality is categorized as an Executive committee type of a Municipality.

In its most abstract sense, governance is a theoretical concept referring to the actions and processes by which stable practices and organisation arise and persists. These actions and processes may operate in formal and informal organisation of any size; and they function for any purpose, good or evil, for profit or loss.

Conceiving of ordnance in this way, one can apply the concept to state, to corporation, to non-profit, to NGOs, to partnerships and other associations, to project teams, and to any number of humans engaged in some purposeful activity.

Most theories of governance as a process arose out of neoclassical economics. These theories build deductive models, based on the assumptions of modern economic, to show how rational actors may

come to establish and sustain formal organisation, such as networks and practices for governing the commons. Most of these theories draw on transaction cost economics.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Political and administrative governance in our municipality consists of the set of processes, customs, policies, laws and institution affecting the way people direct, administer or control and organisation. Political and administrative governance also includes the relationships amongst the many players involved and the organisational goals.

The principle players include the communities, management and Councillors. Other stakeholders include employees, service providers, customers, businesses, political parties, community organisations and regulators

The Council operates on an Executive Committee System. The following Support Committees have been established in terms of Section 80 of the Municipal Structures Act to assist the Executive Committee:-

COUNCIL

POLITICAL STRUCTURE (WITH PHOTOS)

1. **MAYOR: Councillor Olga Nonceba Mfecane (ANC)**



2. **SPEAKER: Councillor Mkhululi Mcotsho (ANC)**



3. **CHIEF WHIP: Councillor Sityebi Hoyo. (ANC)**

4. **MPAC CHAIRPERSON: Councillor Velemva Somana (ANC)**

EXECUTIVE COMMITTEE

5. **Cllr. X Baleni (Developmental Planning - ANC)**

6. **Cllr. F. Khekhetshe (SPU - ANC)**

7. **Cllr. M. Mbomvu (Community Services - ANC)**

8. **Cllr. X.O Willie (Infrastructure Services - ANC)**

9. **Cllr. M. Noyila (Budget and Treasury - ANC)**

10. **Cllr. M.Peter (Corporate Services - ANC)**

11. **Cllr. N. Xhungu (COPE)**

12. **Cllr. VSK Mbewu (COPE)**

13. **Cllr. M Tetyana (UDM)**

Mbhashe Municipality comprises of a total of 61 Councillors of which 31 are Ward Councillors and the other 30 are Proportional Representative (PR) Councillors. Council continues to operate on an Executive Committee System. Out of 31 wards 26 wards are ANC controlled whilst the 3 wards are controlled by Independent Candidates and the other two by UDM.

COUNCILLORS

PARTY NAME	NUMBER OF SEATS (Wards + PR)		
	WARD	PR	TOTAL
African National Congress	26	13	39
Congress of the People	0	9	9
United Democratic Movement	2	6	8
Democratic Alliance	0	1	1
APC	0	1	1
Independent candidates	3	0	3
TOTAL	31	30	61

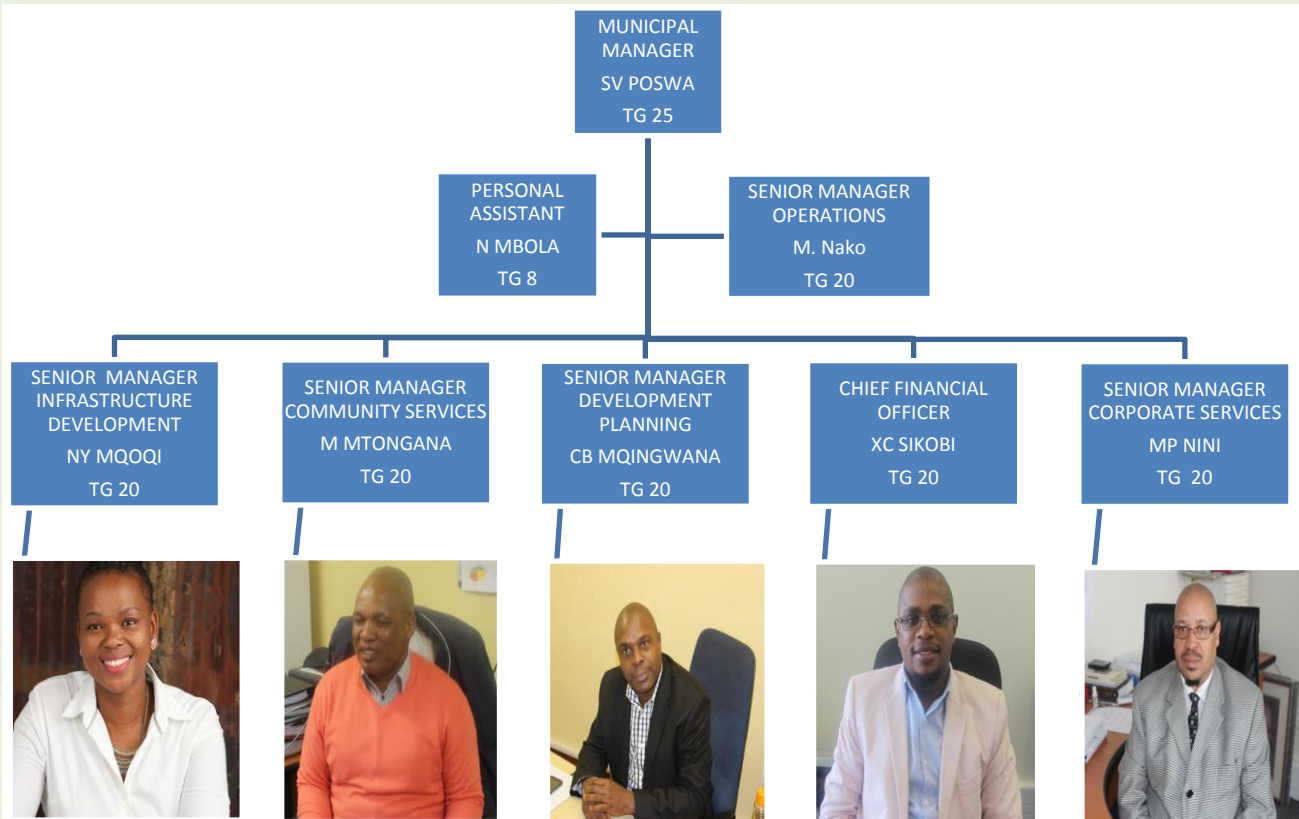
Table 2.1.3

POLITICAL DECISION TAKING

The municipality has processes that take decision up to the Council. The items that need decision start from management, standing committee, Executive Committee and then Council. Each of the Committees deliberate on matters that fall within the specific terms and reference of that particular Committee as stipulated in the delegation of framework, who in-turn make recommendations to the Executive Committee for approval, or where necessary for endorsement by the Executive Committee for final approval by the full Council. Any matter that has financial implications has to be discussed by the management before it is recommended by the Executive Committee and approved by the Council.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE



The above diagram depicts the top management structure of Mbhashe and all posts are filled.

Management is clustered according the Local Government Key Performance Areas as follows:

- Service Delivery is composed of Infrastructure Development, Community Services and Development Planning
- Local Economic Development is composed of Development Planning
- Finance and Admin is composed of Budget and Treasury Office, Corporate Services and Good Governance, which is mainly the Municipal Managers Office

Senior Management meets every Monday and an extended Management meeting is held on the first Monday of the month. These meetings are mainly for planning, reporting and scheduling work. This annual report is a product of the tireless efforts of these meetings supported by a very capable and willing secretariat.

COMPONENT B: INTERGOVERNMENTAL RELATIONS

INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Mbhashe Local Municipality remains totally committed to good governance. The organization is structured in such a way to ensure that the eight major characteristics required for good governance is enshrined in its operations. This ensures that it is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of the law. Corruption is minimized, the views of minorities are taken into account and the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society. Above all, the commitment from the leadership both political and administrative is essential to maintain good governance.

The system that the municipality followed included processes through which the municipality's objectives are set and pursued in the context of social, regulatory, political, technological, economical and market environment. These included mechanisms to monitoring the actions, policies and decisions of the municipality and its service providers. These practices then are affected by the attempts to align the interest of all stakeholders, including national and provincial government, district municipality, businesses, non-governmental organization, community based organization and communities

2.3 INTERGOVERNMENTAL RELATIONS

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NATIONAL INTERGOVERNMENTAL STRUCTURES

The municipality participates in the South African Local Government Association (**SALGA**) **conferences** during the start of the term of councils where the leaders of the National Executive Committee are being elected. The municipality also participates in the SALGA National Members Assemble which is being held each and every year to check the status and progress of the resolutions which were taken in the conferences.

PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality has the functional Intergovernmental Relations forum. The municipality is participating in the Eastern Cape Provincial Political and Technical MUNIMEC. This platform in our view is a relevant space to engage and unlock challenges facing municipalities in the province. The municipality also participate in other forums of the province such as SALGA working groups, EPWP provincial steering committee, Provincial waste Forum and COGTA EC MIG Forum.

RELATION WITH MUNICIPAL ENTITIES

The municipality have good relations with Amathole District Development Agency and there developments and programmes where the agency is responsible such Dutywa town revitalization

DISTRICT INTERGOVERNMENTAL STRUCTURES

There are forums that were established by the district municipality and our municipality participates in the forums of the district municipality such DIMAFO which is attended by Local Municipality Mayors, Municipal Managers and government departments that are within Amathole. This forum assists municipalities to have the common understanding and be able to discuss development issues that affect the district at large. There are also other forums at the level district support team which involves all economic and LED institutions within the district. The municipality also participates in the following forums district waste forum, EPWP and IGR forums

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

The municipality has a relationship with their citizens that can take many forms. In some cases the municipality has a legislative requirement to involve communities in their decision making. A majority of municipal records and reports must also be accessible and available to the public. These reports must provide info about the services and activities of the municipality. The municipality has not improved on its public participation programmes although there are many community based meetings were held in the year under review. This is largely due to the detailed presentation and understanding by communities on programmes and decision making process in the municipal environment.

2.4 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Mbhashe municipality has a comprehensive communication strategy which was reviewed in the year under review. There were challenges with identifications of municipal building and events to the public and these have been resolved. The municipality is also having the active website which is being updated daily.

In addition, there has been a poor implementation of public participation forum as seen below.

Public Participation and Communication

Public participation is a principle that is accepted by all spheres of government in South Africa. Participation is one of the cornerstones of our democracy and has equal benefits for politicians, public servants and civil society:

- Consultation will help government make more appropriate decisions based on the real needs of people
- The more informed people are, the better they will understand what government is trying to do and what the budget and resources limitations are
- Public presentation can only claim to be accountable if they have regular interactions with the people they represent and if they consult and report back on key government decisions.

Government cannot address all the development needs on its own and partnerships are needed with communities

Imbizo and public meetings are important methods used for consultation with the public and imbizo's are meant to encourage participation and allows the public from a particular area to interact directly with the executive. Senior public servants often attend imbizo to provide information and to follow up on issues raised.

Public meeting and report-back meetings

Public representatives often use public meetings to inform the public issues or consult them around specific development or other programmes. Public meetings are also to report back on government programmes. Public servants may be asked to participate in these meetings to provide technical support and information and hear the public's views and concerns.

WARD COMMITTEES

Ward councillors are the representatives of specific geographic areas and are ideally placed to be the link between the people and the municipality. They should bring people's needs and problems to the municipality and consult and inform the community around municipal services and programmes. Ward councillors public participation programmes are coordinated by the councillor's speaker.

Ward committees

Ward committees are from different sectors in communities. Ten members are elected in each ward to assist and advise the ward councillor and increase community participation. They can be very useful for spreading information, assessing needs, building partnerships, consulting the community and picking up local problems with service delivery.

Community Development Workers (CDWs)

Community development workers are deployed by government to work in communities to make sure that people can access government services. They have to give advice, help people with problems, assess needs and work with local organisation to build partnership with government.

They usually know the community well, have good contact with organisational and can help to do consultation, do research, spread information and monitor implement. CDWs should work closely with ward councillor and ward committees.

Public Meetings

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
MAYORAL IMBIZO	2015/10/20	10	12	650	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2015/10/21	10	18	1080	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2015/10/22	10	18	847	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
	2015/10/23	1	18	1200	PRIORITIES & ANNUAL PERFORMANCE	1-15 April the feedback was given to communities in a form of roadshows
IDP/BUDGET ROADSHOWS	2016/04/12	12	18		IDP& BUDGET	The feedback will be given in the IDP/BUDGET Rep Forum meetings which will be held in the units for each quarter in 2016/17 financial year
	2016/04/13	12	18	436	IDP& BUDGET	The feedback will be given in the IDP/BUDGET Rep Forum meetings which will be held in the units for each quarter in 2016/17 financial year
	2016/04/14	12	18	364	IDP& BUDGET	The feedback will be given in the IDP/BUDGET Rep Forum meetings which will be held in the units for each quarter in 2016/17 financial year
	2016/04/15	12	18	355	IDP& BUDGET	The feedback will be given in the IDP/BUDGET Rep Forum meetings which will be held in the

						units for each quarter in 2016/17 financial year
T 2.4.3						

COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD

Mbhashe municipality has made every effort to ensure maximum participation by members of the local community in the development of the IDP. The municipality in the next financial year will change its approach for public meetings. The rep forum meetings will held per unit and invite all the relevant stakeholders for that unit. The engagements with communities were made. They involve interaction with communities at ward levels and interactions with the reference groups which represented various regions of the municipalities.

A number of development challenges were raised during these interactions. These issues have in turn been aligned with key development thrust for the municipality. The key development thrusts include:

- Poverty eradication, rural and economic development and job creation
- Financial sustainability (eg revenue enhancement, clean audit)
- Spatial development and the built environment
- Human settlement
- Public transport
- Environmental Management and climate change
- Social and community services

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the section 57 and 56 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	

COMPONENT D: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

Corporate governance broadly refers to the mechanism, processes and relations by which corporations are controlled and directed. Governance structures identified the distribution of rights and responsibilities among different participants in the corporation, and include the rules and procedures for making decisions in corporate affairs.

Corporate governance includes the processes through which corporations' objectives are set and pursued in the context of the social, regulatory and market environment. Governance mechanisms include monitoring the actions, policies and decisions of corporations and their agents. Corporate governance practices are affected by attempts to align the interests of stakeholders.

For good governance practices these committees need support in relation to the following:

- Integrated reporting and levels of independent assurance
- How the combined assurance framework addresses all significant risks; and
- The practicalities of how the risk committee works with the audit committee

In our endeavour to practice good governance, the municipality strives to implement the following principles in all its activities:

- Rights and equitable treatment of shareholders
- Interest of other stakeholders
- Role and responsibilities of the various committee's members
- Integrity and ethical behavior
- Disclosure and transparency

2.6 RISK MANAGEMENT

RISK MANAGEMENT

Risk management serves to identify issues that can prevent the municipality from achieving its strategic objectives. Mbhashe Municipality has a functional Risk Management Committee, which is chaired by the external independent person. The committee meets quarterly and its main task is to coordinate the development of the risk register and monitor the execution of the mitigating actions. Over and above the following strategic risks, The municipality has identified 25 strategic risks which is aligned with the IDP.

2.7 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

The municipality does not have an Anti-fraud and Anti-corruption strategy. The municipality is in the process of developing the strategy which by the end of the next financial year the strategy will be available and adopted by the council.

2.8 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was reviewed during the 2015/16 financial year and submitted for approval by Council on 29 June 2016. The amendment to the SCM Policy was mainly to deal with the misalignment with the SCM regulations as identified by the Auditor-General.

The Municipality utilized SAGE EVOLUTION ADVANCED PROCUREMENT SYSTEM for the day to day procurement of goods and services below R 30 000.

Between R30 000 and R200 000 a 7 day notice procurement process is followed, and the Register will all relevant information is kept at the SCM office. The use of SAGE EVOLUTION ADVANCED PROCUREMENT SYSTEM to do all calculations on the bids received was utilised during the 2015/2016 financial year.

Open tenders with the value of R200 000 and above follow the 3 Bid Committee System; Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. The Committee members are appointed in writing by the Municipal Manager. The municipality has strengthen the function of the bid committee by appointing the full-time Municipal Manager, as well there is full complement of Senior Managers, this has resulted in all bid committees having senior personnel in order to achieve efficiency.

The PPPF Act thresholds, BBBEE Act and points allocation are applied where and how applicable. The 80/20 split applied to all contract values below R1 000 000 and 90/10 to all above R1 000 000.

Contract Management

There was no formal contract management unit due to capacity constraints within the SCM section. An informal contract register is available, which was deemed adequate during the audit process in the 2015/16 financial year.

Code of Ethics

All Supply Chain Management practitioners, as well as members of the three Bid Committees, are required to sign a Code of Ethics as approved by Council. The approved code is based upon the Code of Ethics of National Treasury. At all Bid Committee Meetings the members have to declare their interests as part of the standing rules and approved terms of reference of the Bid Committees. New Bid Committee members were appointed by the Municipal Manager as a result of new appointments during the year.

Training and Competency

In accordance with the requirements of Section 8 of the SCM Regulations, as well as Section 83 of the MFMA, all SCM Practitioners must have a minimum level of competency, and the training of staff to meet the requirements is on-going. Formal training was conducted by University of Fort Hare and Ducharme Training Institute.

General SCM Matters

The municipality appointed the Supply Chain Manager to head the SCM office and all vacancies were filled which included 2 positions of the Supply Chain Accountants.

The municipality performed a detailed irregular expenditure investigation to deal with the audit findings that lead to a qualified audit opinion from the Office of the Auditor-General, hopefully this will go a long way to ensure the municipality obtains a clean audit.

The Municipality does not have the long term contracts

2.9 BY-LAWS

The following by-laws were developed in the 2015/16 financial year:-

- Accommodation by law
- Spatial Planning and Land Use Management (SPLUMA) by law

The by-laws were adopted by council as draft, however public participation still has to be done before the final approval and gazetting of such by-laws in the 2016/17 financial year.

2.10 WEBSITES

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	July
All current budget-related policies	Yes	June
The previous annual report (Year -1)	Yes	December
The annual report (Year 0) published/to be published	Yes	July
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 0) and resulting scorecards	Yes	January
All service delivery agreements (Year 0)	No	
All long-term borrowing contracts (Year 0)	N/A	
All supply chain management contracts above a prescribed value (give value) for Year 0	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	N/A	
Contracts agreed in Year 0 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 made in Year 0	N/A	
All quarterly reports tabled in the council in terms of section 52 (d) during Year 0	No	
<p><i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i></p>		

T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Section 75 of the MFMA requires that municipalities place key documents and information on their website, including the IDP, annual report, the annual budget, adjustments budgets and budget related documents and policies. The municipality has not been able to place many documents on the website due to technology upgrades needs and the lack of warm bodies to be assigned this role. We are in the process of appointing a service provider to update, maintain and host our website.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

A Public Satisfaction Survey was conducted in May to June 2016 and a report thereof is available which highlight the following critical areas and challenges:

Unemployment (the average is 80.5 at 89% for business and 82% for households) followed by housing (average 68.5 with 79% for business and 58% for households) is the highest critical priority area. Education and schooling is not on the critical list but is the top on the high list for business. This shows the importance that they attach to education and on the other hand it also shows us that they have working knowledge of the need and the gap in schooling as evidence by their practical business experiences. The report also has recommendations on the services that are provided by the municipality.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

INTRODUCTION

Mbhashe Local Municipality has some key service achievements that came to completion during the year 2015/16 namely, the provision of 32KM of Roads and Storm Water that are of a good quality, safe & trafficable as per applicable standards, total of 691KM Roads were maintained, a total number 3691 households were connected with non- grid through DOE, moreover INEP 1400 households were connected grid connections. Municipality is supplying and delivering paraffin to all indigent no- electrified households throughout Mbhashe Municipal area.

The municipality also managed to facilitate construction of 2000 houses in Elliotdale rural and about 753 in Dutywa Township in the 2015/16 financial year.

An increase on the number of the households receiving waste removal from 2199 to 22199 in the year under review, has been registered.

COMPONENT A: BASIC SERVICES

INTRODUCTION TO BASIC SERVICES

Basic service is the most key focus function of the municipality. In Mbashe LM basic services is provided by three internal departments, namely, Infrastructure Services, Community Services and Planning & Development. Focus areas for basic services are as follows: municipal roads storm water, infrastructure community services (community halls etc), electrification (community lights & households connection), solid waste, traffic, environmental management, libraries (agent for DSRAC), disaster management function, land use management, building regulations and human settlements. Water and Sanitation services are rendered by Amathole DM which is the Water Service Authority (WSA) and also Water Services Provider (WSP).

The provision and maintenance of road cuts across the functional areas of the Department of DRPW, ADM and Mbashe LM. Mbashe LM managed to construct 32 KM of new roads and maintained 691 KM of gravel roads.

In terms of electricity distribution, Eskom is the licensed distributor of electricity in the whole of Mbashe Municipal Area.

In addition to other service delivery issues is the housing. The housing delivery process is very slow because the municipality does not have the developer status. All project implementation responsibilities are done by the Department of Human Settlement. The municipality's housing department is managed by one officer reporting to the senior manager. At present, the municipality is not adequately capacitated to manage the housing delivery process. However, the municipality did manage to facilitate construction of 2000 houses in Elliotdale rural and about 753 in Dutywa Township in the 2015/16 financial year.

3.1. WATER PROVISION

The service is performed by the district municipality.

3.2 WASTE WATER (SANITATION) PROVISION

The service is performed by the district municipality.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

ESKOM is the licensed distributor of electricity in the whole area of Mbashe LM. Mbashe, therefore Municipality is not a licensed distributor of electricity; Integrated National Electrification Programme (INEP) grant under Schedule 5 of Division of Revenue Act for household electrification is being received by Mbashe LM. As at 2015/16 financial year, there were about 1354 households remaining at Shixini and 2060 households remaining in Ntsimbakazi. Mbashe Local Municipality became one of the municipalities in the Eastern Cape to provide the communities with the Solar System (non-grid

electrification) 3079 Households have been installed. According to the Stats SA Census 2011, electricity is used by about 50% households for lighting, which says in other way that the electricity backlog is about 50% (30 262) households. Wood is used predominantly for cooking and heating purposes at 40% and 50% households respectively, causing a high pressure to environmental balance. For cooking next favourite is electricity 37% followed by paraffin at 15%. Paraffin and Candle are competing at 14% each for lighting next to electricity. Paraffin and electricity are the second and third sources of heating at 23% and 15% respectively. The overall situation of use of energy by households is presented in table and figure at the right and hereunder.

Electricity Services Delivery Levels				
Description	Year-3	Year-2	Year-1	Year-0
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min.service level)	39601.00	40101.00	40101.00	41033.00
Electricity - prepaid (min.service level)	39601.00	40101.00	40101.00	41033.00
Minimum Service Level and Above sub-total	79202.00	80202.00	80202.00	82066.00
Minimum Service Level and Above Percentage	100%	100%	100%	68%
Energy: (below minimum level)				
Electricity (< min.service level)	20523.00	20023.00	20023.00	19091.00
Electricity - prepaid (< min. service level)	0.00	0.00	0.00	0.00
Other energy sources	30262.00	30262.00	30262.00	22170.00
Below Minimum Service Level sub-total	50785.00	50285.00	50285.00	412161.00
Below Minimum Service Level Percentage	60124.00	60124.00	60124.00	60124.00
Total number of households	41%	83%	83%	32%

Electricity Service Policy Objectives Taken From IDP							
Service Objectives	Outline Service Targets	2013/14		2014/15		2015/16	
		Target	Actual		Actual	Target	actual
Service Indicators		*Previous Year		*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(vi)	(vii)	(viii)	(ix)
To ensure that all households have access to electricity by 2025 by providing grid energy to qualifying households							
Provide basic electricity to qualifying households	No. of households connected	547		354	1000	1400	1400
Maintain the existing street lights in the three towns							
Maintain the existing street lights in the three units	No. of adequate street lights	40		50	55	550	550
Ensure the high mast lighting							
to install high masts in all prioritiz	No of high mast lights installed	3	3	3	3	10	

Employees: Electricity Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9					
10 - 12	4	3	2	1	33%
13 - 15					
16 - 18					
19 - 20					
Total	4	3	2	1	33%

Financial Performance Year 0: Street Lights					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue		-	-	-	0%
Expenditure:					
Employees	138 578.09	901 512.00	901 512.00	488 592.88	46%
Repairs and Maintenance	1 826 801.50	471 600.00	471 600.00	389 949.70	17%
Other	465 932.02	1 484 269.00	1 484 269.00	655 298.81	56%
Total Operational Expenditure	2 431 311.61	2 857 381.00	2 857 381.00	1 533 841.39	46%

Net Operational Expenditure	-2 431 311.61	-2 857 381.00	-2 857 381.00	-1 533 841.39	46%
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COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL

The allocation for 2015/2016 was R20m and the allocation for 2016/2017 is R17m & 2017/2018 R30m respectively. Mbhashe Municipality appointed Electrical Consultants for design and construction both projects. During the end of 2014/2015 financial year and the beginning of 2015/2016 Mbhashe Municipality has been faced with community service delivery protest in different wards where each ward wanted to be the first priority in the electrification Programme. Mbhashe Municipality requested to Department of Energy for the use of own funds for electrification Programme to accelerate the household connections. This decision was taken by the Council due to high level of community unrest so as to be reimbursed by Department of Energy in the following financial years. There is a huge electrification backlog of about 19091 households without electricity as per the updated list per village per ward as of July 2015 (Ntsimbakazi and Shixini included).

The most electrification backlog in our municipality is in Elliotdale and Eskom electrification plan indicates that some villages in Elliotdale will not be electrified in the next three years.

Due to electricity infrastructure capacity problems in the municipality especial in Elliotdale, the non-grid electrification has been introduced by DOE to address the need, as it will take some time to build or construct the required infrastructure to electrify the outstanding villages.

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

The provision of the waste management services has been extended to all Dutywa wards in the year under review. This has been implemented through the pilot of rural waste. The initiative has led to an increase in the number of the households receiving the waste management services from 2199 to 22199.

It also worth noting that the National Waste Management Strategy enjoins all the Municipalities to have achieved waste management coverage by 2016 as follows:-

- (I). 95% of urban households
- (II). 75% of rural household
- (III). 80% of waste disposal sites have permits
- (IV). 80% of Municipalities running local waste awareness campaigns
- (V). 80% of schools implementing waste awareness programmes

Some of the achievements registered in the year under review are as follows:-

- Budgeting and acquisition of new waste management fleet in the form of three (3) trucks and two (2) bakkies
- Reviewal of the organisational structure to address the waste management challenges
- The appointment of the service provider (Aurecon) to provide guidance on the rehabilitation and the proper management of the landfill sites.
- Acquisition of the weigh pad to measure the quantities of waste generated and disposed at the disposal sites.
- Additional budget for the appointment of additional personnel to sweep the streets
- Appointment of the ten (10) EPWP beneficiaries to assist Cholakonke recycling Cooperative in sorting recyclable materials at source.

During the year under review, Mbhashe has set herself the following top priorities with regard to waste management services (and progress on each priority is indicated hereunder):-

- Proper management and rehabilitation of the landfill sites – appointment of Aurecon (service provider) to assist on this front. The preliminary estimates of the costs and basic work that needs to be done has been finalised.
- Improved street cleaning that would result in cleaner spaces – additional personnel has been appointed through the EPWP programme, as well as an attempt to develop systems in street cleaning and waste management in general.
- Reduce the waste disposed at the landfill sites by encouraging the separation of recyclables at source – the appointment of the ten (10) personnel through the EPWP programme to assist Cholakonke to separate recyclables at source

Solid Waste Service Delivery Levels				
Description	Year -3	Year -2	Year -1	Households Year 0
	Actual No.	Actual No.	Actual No.	Actual No.
Solid Waste Removal (Minimum level)				
Minimum service level & above subtotal	2199	2199	2199	22199
Minimum service level & above percentage	4	4	4	37
Solid waste removal (below minimum level)				
Removed less frequently than one week	0	0	0	0
Using communal refuse dump site	42624	42624	42624	27674

Other rubbish disposal	15301	15301	15301	10251
No rubbish disposal	0	0	0	0
Below minimum service level subtotal	57925	57925	57925	37925
Below minimum service level percentage	96	96	96	63
Total number of households	60124	60124	60124	60124

Description	Year -3	Year -2	Year -1	Year 0
	Actual no.	Actual no	Actual no	Actual no
Total households	60124	60124	60124	60124
Households below minimum service level	57925	57925	57925	37925
Proportion of households below minimum service level	96%	96%	96%	63%

Employees: Solid Waste Management Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	53	57	24	33	73%
4 – 6					
7 – 9					
10 – 12					
13 – 15					
16 – 18					
19 – 20					
Total	53	57	24	33	73%

Employees: Waste Disposal and Other Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3		16	16	0	0%
4 – 6	8	18	9	9	50%
7 – 9		17	16	3	5%
10 – 12		2	2	0	0%
13 – 15		1	1	0	0%
16 – 18					
19 – 20		1	1	0	0%
Total	8	55	45	10	12%

Waste Management Service Policy Objectives Taken From IDP								
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	2013/14		2014/15				2015/16
		Target	Actual	Target		Actual	Target	
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)
Ensure sustainable and environmental friendly development throughout Mbhashe by 2017								
By providing the basic and sustainable Waste Management Services throughout Mbhashe	No of households receiving waste service	0	0	2199	2199	2199	5000	22199
	No of landfill sites managed according to permit conditions	3	0	3	3	0	3	-

Financial Performance Year 0: Solid Waste Management Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 024 393.51	807 560.00	807 560.00	-43 217.27	105%
Expenditure:					
Employees	5 196 165.47	15 436 337.00	15 436 337.00	7 314 922.50	53%
Repairs and Maintenance	289 598.56	1 664 276.00	2 164 276.00	1 111 627.46	49%
Other	58 639 129.89	3 744 628.00	3 444 628.00	2 512 488.91	27%
Total Operational Expenditure	64 124 893.92	20 845 241.00	21 045 241.00	10 939 038.87	48%
Net Operational Expenditure	-63 100 500.41	-20 037 681.00	-20 237 681.00	-10 982 256.14	46%

Financial Performance Year 0: Waste Disposal and Other Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure	-	-	-	-	
Net Operational Expenditure	-	-	-	-	
Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

Capital Expenditure Year 0: Waste Management Services					
					R' 000
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	-
	-			0%	-
	-	-	-	0%	-
	-	-	-	0%	-
	-	-	-	0%	-
	-	-	-	0%	-

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

With the procurement of the three (03) waste trucks, appointment of the waste personnel and the extension of the waste services to rural areas, the future looks bright and promising. The year under review has been very slack in as far as waste management services are concerned. The landfill sites were not managed according permit conditions, the waste management services were only limited to the urban and peri-urban areas, thereby covering not more than 5% of the households, the section was operating with limited personnel.

3.5 HOUSING

INTRODUCTION TO HOUSING

HOUSING SUMMARY

The largest percentage of households (96.5%) in Mbhashe LM presently resides in rural areas. A fairly large percentage of the housing demand is therefore vested in the so-called rural areas. These areas are typically characterised by tenure issues viz. private ownership versus communal ownership. It is therefore critical to gain an understanding of the nature of the housing need in these areas including tenure, infrastructure and services provision and dwelling types. If the housing programme is to reach a large proportion of the population in the municipality, and probably those households with the lowest incomes, it is important that there is specific rural analysis and rural housing strategy.

The Mbhashe municipality does not have a Housing waiting list at present. However; the creation of housing register or database is in progress. The database is an important management tool for managing housing development and the eradication of backlogs.

The Mbhashe Municipality was previously granted developer status by the Department, but all project implementation responsibilities were later taken over by the Department. The municipality does not have a housing department and the housing development process is currently managed by an officer dealing with Housing. At present, the municipality is not adequately capacitated to manage the housing delivery process. The municipality therefore continues to rely on the Province to carry out a significant part of the responsibilities related to housing development.

Challenges

- There is a clearly cross-sectoral alignment issue that needs to be addressed.
- The present planning is badly inhibited by the lack of properly developed and maintained database on the demand and the projects that are planned and or implemented to tackle this. Often the information is sparse, or it is held in different formats in different locations both within the municipality and outside of it. A more integrated system is required.

CHALLENGES

- Funding for infrastructure
- Topographical challenges in Elliotdale scare developers away and with Willowvale extension 5 are the funding and also the topography is a challenge.
- Challenges in Elliotdale extension 2 include the location of Elliotdale project and as such that the material is expensive to import due to high transportation cost and services are incomplete and in poor state.
- In Willowvale, bush-clearing and big trees removal is required

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year - 3	16 838	16 838	28%
Year - 2	16 838	16 838	28%
Year - 1	59 705	16 838	28%
Year 0	59 705	20 091	34%
T 3.5.2			

Housing Service Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2014/15		2015/16		2016/17
		Target	Actual	Target	Actual	Target
To facilitate provision of adequate housing to indigent families by 2025 (urban)						
Facilitate housing provision	No. of houses built	700	700	92	-	-
To facilitate provision of adequate housing to indigent families by 2025 (rural)						
Facilitate housing provision	No. of houses built	3000	2500	2000	2000	1500
To reduce the number of people living in squatter settlements						
Building formal houses for people living in squatters	No. of shacks removed	200	0	200	0	200
To facilitate provision of adequate housing to indigent households by 2025						
Review HSP	An approved reviewed HSP	1	1	-	-	-

EMPLOYEES: HOUSING SERVICES					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	1	4	4	0	0%
13 – 15	1	1	1	0	0%
16 – 18					
Total		5	5	0	0%

Financial Performance Year 0: Housing Services					
					R'000
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	-	-	-	0%
Expenditure:					
Employees	1 299 429.60	1 346 559.00	1 346 559.00	2 550 462.67	-89%
Repairs and Maintenance	951 235.61	1 572 000.00	1 572 000.00	1 405 246.19	11%
Other	3 197 362.98	6 099 962.00	6 099 962.00	6 365 610.25	-4%
Total Operational Expenditure	5 448 028.19	9 018 521.00	9 018 521.00	10 321 319.11	-14%
Net Operational Expenditure	-5 448 028.19	-9 018 521.00	-9 018 521.00	-10 321 319.11	-14%

Capital Expenditure Year 0: Housing Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	-	-	-	0%	-
	-		-		-

COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICES OVERALL

Whilst Housing is not the municipality's function; the municipality facilitates and plans for housing development. In the 2015/16 financial year; the municipality has managed to facilitate construction of 2000 houses in Elliotdale Rural.

Beside the provision of housing as outlined above, the municipality has facilitated the provision of housing for the destitutes and the provision of emergency housing for those affected by disaster. In the 2015/16 financial year, about 70 and 15 beneficiaries were approved for Dutywa and Xhora respectively.

However the main challenges remain the land claims, land invasion, poorly built houses in the Elliotdale and Willowvale.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Mbhashe Municipality's intervention to adopt and implement the Free Basic Alternative Program goes a long way to ensuring that a better life for all is a foreseeable reality and specifically to improve its capacity towards service delivery to its citizens.

The municipality has provided the following services under its indigent support program:

1. Prepaid electricity tokens
2. Refuse removal
3. Solar alternative energy
4. Water and Sanitation – provided by Amathole District Municipality.

The Free Basic Services objectives are to provide indigent households with access to basic services. This support is funded through equitable share received from National Treasury.

There has been assistance in non-electrified areas by providing them with free basic alternative energy to help them meet some of their basic needs such as cooking. The intervention is aimed at alleviating some of the difficulties associated with access to energy in these Households whilst the Municipality works hand in hand with Eskom and Department of Energy towards ensuring that all communities have access to electricity. In the current year 3079 households have been provided with solar energy.

The municipality has also provided free refuse removal services to 20 000 rural households of Dutywa at no cost. This intervention is aimed at promoting a clean environment.

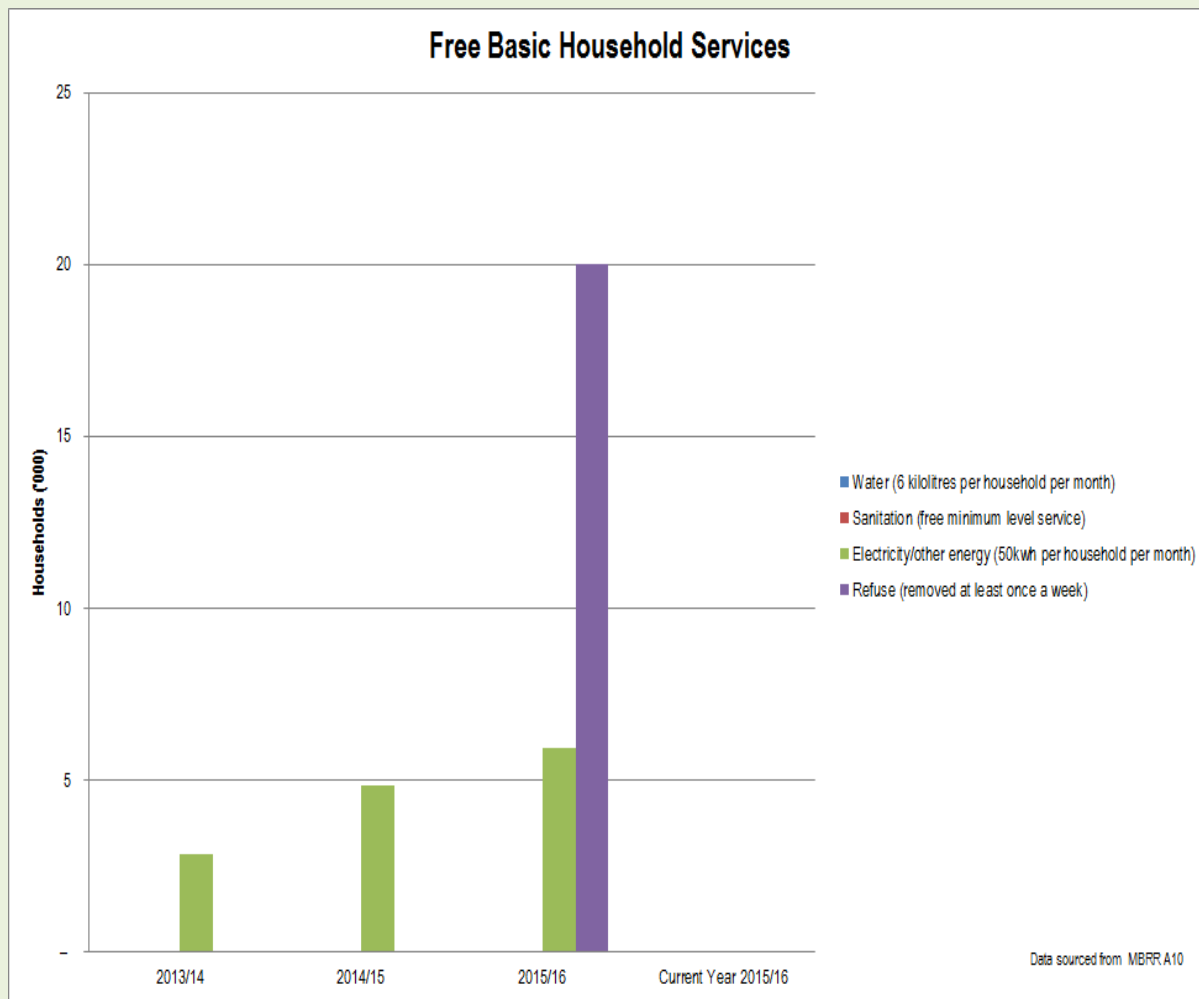
The municipality is also providing monthly free electricity tokens of 50kws for indigent household through Eskom Free Basic Account. In the current year 2864 households have been assisted.

The municipality also faced a challenge that there were no dedicated personnel responsible for free basic services unit. The vacant post was filled in the last quarter of 2015/16 financial year. The project to update the indigent register is underway, whereby data collection project is at an advanced stage and we anticipate it will be completed during the second quarter of 2016/17 financial year. The plans are also to utilize the housing needs register during the verification stage.

These interventions have assisted the Municipality to address a whole suite of socio-economic issues that arise from inadequate provision of free basic services to households and have assisted with job creation to the community of Mbhashe Municipality.

The municipality is on track to fully comply with provisions of the equitable share allocation, which dictates that the municipality must fully support indigent residents within its jurisdiction

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse		
		Total	Access	%	Access	%	Access	%	Access	%
Year -2	27 724	27 724		0%	0	0%	2 864	10%	0	0%
Year -1	27 724	27 724		0%	0	0%	2 864	10%	0	0%
Year 0	27 724	27 724		0%	0	0%	2 864	10%	20 000	72%



Financial Performance Year 0: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year -1	Year 0			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water					
Waste Water (Sanitation)					
Electricity	8 673 735.00	8 566 074.00	7 766 074.00	4 856 971.96	37%
Waste Management (Solid Waste)					
Total	8 673 735.00	8 566 074.00	7 766 074.00	4 856 971.96	37%

Free Basic Service Policy Objectives Taken From IDP									
Service Objective s	Outline Service Targets	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
To ensure that all indigent households are identified and supported									
Reviewal of the indigent register	Reviewed updated indigent register	Updated indigent register with 27 724	Updated indigent register with 27 724	Updated indigent register with 27 724	Updated indigent register with 27 724	Updated indigent register with 27 724	Updated indigent register	27 724	27 724
Alignment of indigent register with billing system	Number of indigent households on the billing system	N/A	N/A	100	100	0	Aligned indigent register	Aligned indigent register	Aligned indigent register
Supply & delivery of free basic energy and services	Number of indigent households provided with free basic services	None	None	5000	5000	0	27 724 beneficiaries	27 724 beneficiaries	27 724 beneficiaries

COMMENT ON FBS AND INDIGENT SUPPORT

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COMPONENT B: ROAD TRANSPORT

INTRODUCTION TO ROAD TRANSPORT

The Municipality develop Infrastructure Master Plan and the Road Maintenance plan for efficient future infrastructure planning. The Municipality has purchased road machinery to maintain and construct municipal roads according to the roads classification. This is done to ensure that roads infrastructure assets are kept in good condition. During 2015/2016 Provincial Treasury EC (PT) committed in-kind budget amounting to R70million for Mbhashe Rural access Roads and PT appointed South African National Road Agency (SANRAL) as an implementing agency as an intervention to eradicate roads backlogs.

3.7 ROADS

INTRODUCTION TO ROADS

The provision and maintenance of roads cuts across the functional areas of the National Department of Transport (NDoT), Department of Roads and Public Works Eastern Cape (DRPW), Amathole District Municipality (ADM) and Mbhashe Local Municipality (MLM).

NDoT, DRPW and the District Municipalities established Roads Classification for all the LMAs funded through the Rural Road Asset Management System (RRAMS) grant, commenced late in 2011. Under this project DRPW appointed service provider Engineering Advice and Services (EAS) to revisit and update the centreline data set, using aerial photography in order to include all possible access roads. ADM formed part of RAMS program covering all its Local Municipalities where Mbhashe Municipality also participated.

The DRPW has thus mapped and classified all un-proclaimed gravel roads, earth roads and tracks that appear to serve a public purpose. This includes formal streets within urban and peri-urban areas as well as tracks and roads within informal settlements, peri-urban and rural areas. These roads have all been divided into links (intersection to intersection), assigned reference numbers and where available, road names. All this data is stored on a consolidated GIS database.

The finalised road classification data for provincial and municipal road networks has now been made available to the National Department of Transport, the Eastern Cape Department of Roads and Public Works and all Local and District Municipalities by the provision of maps. The Department published a full list of provincial roads in terms of Section 2 of the Eastern Cape Roads Act (Act 3 of 2003). Mbhashe Municipality also received the final road classification data document as end of June 2015.

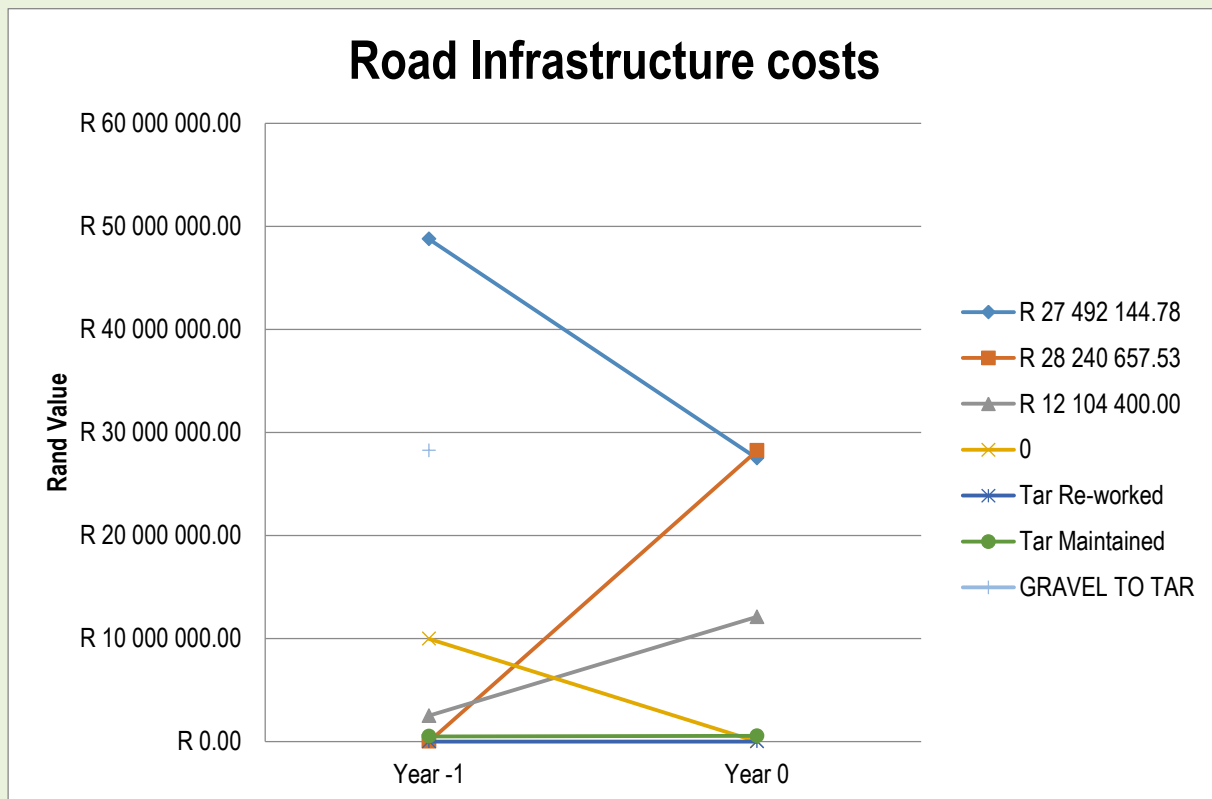
Rural Road Asset Management System (RRAMS) indicates that the total length of road network in the entire Mbhashe Municipal area is 2696.37km. The total length for National Roads is 40.60 km, total length for Provincial Roads is 776.53km of which 684.93km is unsurfaced, and the total length for Municipal Access Roads is 1879.78km.

Gravel Road Infrastructure					Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained	
Year -2	1 880	20	12	120	
Year -1	1 880	39	14	72	
Year 0	1919	30	2	691	
					T 3.7.2

Tarred Road Infrastructure						Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained	
Year -2	92	14	25	15	120	
Year -1	92	5	30	25	140	

Year 0	97	1.5	0	0	40
T 3.7.3					

Cost of Construction/Maintenance							R' 000
	Gravel			Tar			
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained	
Year -2	R 22 441 827.54	0	R 4 371 328.92	R 0.00	0	R 500 000.00	
Year -1	R 48 761 492.86	0	R 2 509 068.01	R 9 975 402.00	0	R 550 000.00	
Year 0	R 27 492 144.78	R 28 240 657.53	R 12 104 400.00	0	0	R 500 000.00	
T 3.7.4							



Roads Service Policy Objectives Taken From IDP								
Service Objectives Service Indicators	Outline Service Targets	2013/14		2014/15		2015/16		2016/17
		Target	Actual	Target	Actual	Target	Actual	
		*Previous Year		*Previous Year	*Current Year	*Current Year	*Following Year	
(i)	(ii)	(iii)	(iv)	(v)	(viii)	(ix)		(x)
To provide quality, safe trafficable Municipal roads as per applicable standards by 2017								
Construct 250km km of new gravel roads	No. of kms of roads constructed	60	0	0	0	60	32	
Maintenance of 545km of existing gravel road network	No. of kms of roads maintained	120	130	140	140	300	691	
By paving internal streets sidewalks in all three towns	No. of kms paved side walks	0	0	2.5	0	5	900m	
By upgrading stormwater channel in urban areas	No.km upgraded					15		
By doing skills audit and enhance operators with limited skills by providing accredited trainings	No. of accredited qualifications					15	15	

Employees: Road and Storm Water Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	4	0	4	100%
4 – 6	3	18	18	0	0%
7 – 9	1	1	1	0	0%
10 – 12	2	18	16	2	11%
13 – 15	0	0	0	0	0%
16 – 18	1	2	2	0	0%
19 – 20	1	1	1	0	0%
Total	12	44	38	6	13%

Financial Performance Year 0: Road Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	

Total Operational Revenue	1 153 000.00	1 052 000.00	1 052 000.00	2 052 000.00	-95%
Expenditure:					
Employees	5 007 371.68	8 015 186.00	8 015 186.00	9 784 627.81	-22%
Repairs and Maintenance	5 965 030.84	10 859 142.60	20 104 400.00	16 665 739.46	17%
Other	12 205 723.42	46 087 593.40	42 302 336.00	10 341 324.43	76%
Total Operational Expenditure	23 178 125.94	64 961 922.00	70 421 922.00	36 791 691.70	48%
Net Operational Expenditure	-22 025 125.94	-63 909 922.00	-69 369 922.00	-34 739 691.70	50%

Capital Expenditure Year 0: Road Services					
Capital Expenditure Year 0: Road Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 38 821 828.71	17277907	R 56 084 120.70	31%	
Tshwathi Access Road	R 155 520.29	0	R 155 520.29	0%	R 3 632 992.48
Madakana Access Road	R 419 762.36	0	R 419 762.36	0%	R 4 122 654.17
Tswelilitye Access Road	R 159 181.34	0	R 159 181.34	0%	R 4 429 619.17
Khethi to Jojweni Access Road	R 135 181.11	1163473	R 135 181.11	0%	R 4 291 012.65
Magqosinini access road	R 1 057 757.20	1	R 2 224 884.74	52%	R 3 917 619.27
Sihlabeni access road	R 1 622 039.46	0	R 522 543.81	-210%	R 3 471 534.12
Mbewuleni access road	R 0.00	0	R 74 723.35	100%	R 3 641 853.26
Nombulelo access road	R 1 172 878.12	0	R 0.00	#DIV/0!	R 4 415 956.77
Ndesi Access road	R 1 076 266.05	0	R 579 452.35	-86%	R 4 052 206.53
Nonkqubela access road	R 0.00	0	R 896 188.20	100%	R 4 890 368.93
Futheni to Beyaphi access road	R 1 547 719.46	0	R 1 613 708.41	4%	R 2 268 849.27
Pewula access road	R 1 338 609.85	0	R 846 532.08	-58%	R 4 364 616.43
Makhamisa to Mbelu access road	R 4 392 422.00	1203078	R 4 264 313.98	-3%	R 4 987 295.52
Talimofu access road	R 3 904 977.88	0	R 2 990 370.86	-31%	R 5 651 914.18
Mkathazo to Gqubuzeni access road	R 1 971 687.26	0	R 2 735 698.52	28%	R 3 829 682.30
Ndalatha- xora mouth	R 2 410 621.62	0	R 1 505 860.20	-60%	R 8 933 319.73
mampondweni	R 790 438.21	0	R 2 861 670.43	72%	R 2 976 047.47
Tojeni to Jujura access road	R 841 776.94	0	R 2 243 027.61	62%	R 3 169 340.90

nondobo- ebuorweni	R 705 911.26	0	R 1 429 354.47	51%	R 4 047 981.92
Madwaleni Access Road	R 351 318.40	0	R 351 318.40	0%	R 3 431 150.82
Gwadana Access Road	R 3 499 559.00	0	R 462 500.00	-657%	R 2 288 629.57
Road Surfacing - Elloitdale	R 2 508 721.98	3400236	R 10 515 142.54	76%	R 16 091 165.47
sheshegu	R 295 263.52	0	R 87 723.00	-237%	R 2 644 386.55
notinara	R 743 289.86	0	R 743 289.86	0%	R 2 595 794.39
cungcwini- upper falakahla	R 97 001.57	1054321	R 97 001.57	0%	R 3 170 875.93
Road Surfacing - Dutywa	R 4 238 642.97	10456798	R 17 725 514.99	76%	R 24 736 163.20
Colosa Access Road	R 3 385 281.00	0	R 443 656.23	-663%	R 3 385 281.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.7.9

COMMENTS ON PERFORMANCE OF ROADS OVERALL

The provision and maintenance of roads cuts across the functional areas of the Department of Roads and Public Works, the Amathole District Municipality and the Mbashe Local Municipality. Municipality managed to construct 32 km through MIG and maintained 691km using in- house construction plant. Provincial Treasury allocated an in-kind grant of R70 million to re-gravel 140km of rural access roads leading to schools and clinics throughout Mbashe Municipal area. This programme consists of 3 phases, 40km of phase 1 has been completed as end of June 2016 and the remaining phases are still on construction.

3.8. TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION

INTRODUCTION TO TRANSPORT

Mbashe Local Municipal is currently providing the Learners Licence service only. The Drivers Licence Testing Centre (DLTC) and Registering Authority (RA) have been upgraded. The only delay has been the registering of the examiners on the system

MLM does not provide the bus service.

3.9. WASTE WATER (STORM WATER DRAINAGE)

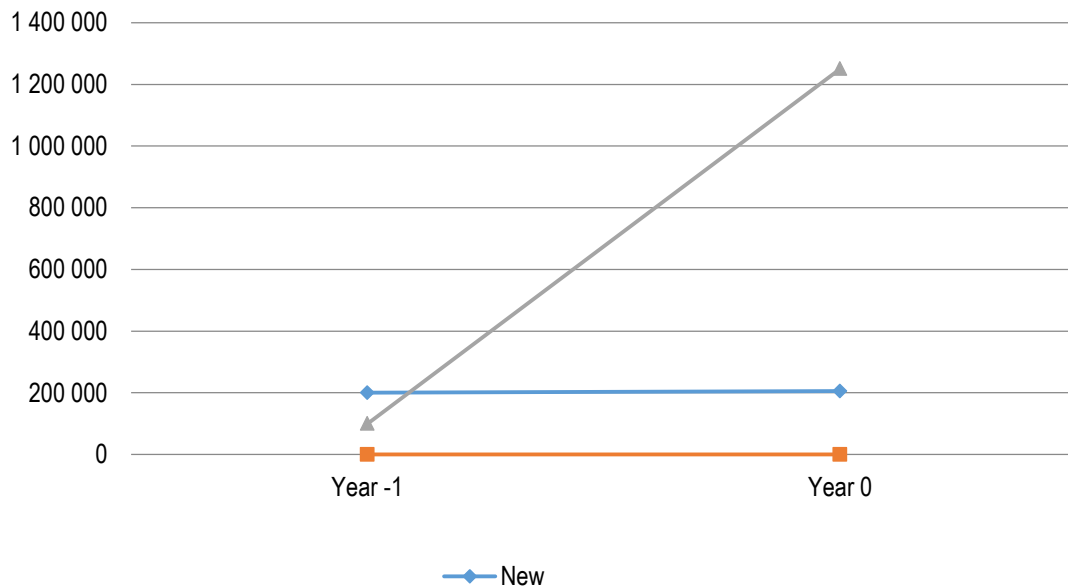
INTRODUCTION TO STORM WATER DRAINAGE

The Municipality has problems with the storm water drainage in towns and throughout the Mbashe area. Municipality has committed budget to pave sidewalks and to upgrade storm water drainage through the usage of SMMEs. There is a challenge of bridges in the rural areas along the coast but there is limited budget.

Stormwater Infrastructure				Meters
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -2	160	20	12	120
Year -1	166	25	14	140
Year 0	191	125	0	166
				T 3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -2	0	0	150 000	
Year -1	200 000	0	100 000	
Year 0	205000.00	0.00	1 250 530.00	
				T 3.9.3

Stormwater infrastructure costs



Capital Expenditure Year 0: Stormwater Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2943616	2473693	4465919	34%	
Qingqala Bridge	480000	0	2185303	78%	2425639
vinindwa	1463616	2473693	1461061	0%	3937309
qingana	1000000	0	819556	-22%	7037974
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T 3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL

Mbhashe Local Municipality has some key service achievements that came to completion of one bridge during the year 2015/16. Two bridges are still on construction

COMPONENT C: PLANNING AND DEVELOPMENT

INTRODUCTION TO PLANNING AND DEVELOPMENT

The municipality's planning section deals with issues of land use management i.e. rezoning, subdivisions and consolidations. It also deals with spatial planning and land administration.

Challenges with regard planning include the following:-

- Non-conforming land uses
- Land Invasions and land claims
- Continuous mushrooming of informal settlements

However; the town planning unit has embarked on a process of land audit finalizing the land use regulation by means of a proper land use zones. This project will help minimizing the illegal use zones as per individual erven.

One of the challenges earmarked is that there was no land use management system to control development in all parts of the municipality.

To remedy the situation; the municipality identified the following objectives:-

- Develop and implement a land use management system - to control development in priority areas – in line with detailed spatial plans.
- Identify legal basis and mechanisms for developing a land use management system applicable to all parts of the municipality.
- Incorporate Environmental Design principles and criteria as guidelines for Spatial Planning & Land Use Management
- Co-opt relevant role-players and facilitate agreement in support of the land use management system.

The reviewal of the Spatial Development Framework which will be reviewed in the 2016/17 financial year will help control and manage land use management.

The municipality also conducted land audit. The project was done so that the municipality can effectively undertake municipal functions needed to have a spatial register of all properties that lie within the municipal area of jurisdiction.

The spatial register needs to contain, amongst others, the description, location, extent and ownership details of each and every property within the municipality. The need for a spatial register can be met by the conducting of a land audit for the municipality and the creation of cadastral datasets in a Geographic Information System (GIS) format.

Cadastral information comprises both spatial and non-spatial components. The spatial information component contains the positions of property boundaries and the non-spatial attribute information holds all other information relating to the property including the legal property description. A GIS is the best data repository to hold cadastral information as it allows for the storage of both the spatial and non-spatial attribute components of cadastral.

The objective of the land audit was then to correct and update the Surveyor General Office (SGO) approved cadastral dataset and to link the cadastral information to the Deeds Office ownership dataset to create a spatial property register of all properties within the local municipality. Secondly, making sure that all properties are recorded on the valuation roll, this can be made by continuously updating the valuation roll through supplementary valuation rolls.

The General Property valuation for the year 2012 to 2017 was completed and approved by council in 2014. This was followed by the Supplementary Valuations of which the SV 1 was done and approved in 2015 and SV 2 in 2016.

The number of properties per category is listed below:

CATEGORY NUMBER

Non-conforming (Government and Municipal): 35

(The council has approved the rezoning of the 35 properties from undetermined to institutional).

Non-conforming (privately owned): 386

(The project of rectification of the 386 properties is underway and will be complete in the 2016/17 financial year.

Surveyed but no title deeds (RDP houses): 753

(Whilst the process is too slow, the transfers are being done and will be complete in the 2016/17 financial year.

Surveyed but no title deeds (privately owned):

(Letters of demand have been sent to property owners and will be done in the financial year 2016/17)

Surveyed but no title deeds (government and municipal): 25

(Full registration of all these properties will also be done in the financial year 2016/17)

The municipality is currently busy with the surveying of all land that has not been surveyed and has managed to do the survey on 13 erven in the 2015/16 financial year. The objective is to allocate the erf number to all municipal owned land and to regulate illegal demarcation of municipal commonage.

These are all done so that all properties in the municipality appear in the spatial register (valuation roll) and linked to billing system.

Developed Policies and By-laws related to land use included the Invasion policy and land disposal policy.

Also dealt with is the issue of land claims. The Mputhi and Mangati Communities lodged a land claim through the Land Claims Commission for the part of the Dutywa commonage described as Erf 1 – Dutywa which now belongs to the Mbhashe Municipality. Land claims remain the main issue as some of the development has been interdicted from continuing by the Mangati claimants. However there's a special committee dedicated in tackling and resolving the issue.

The biggest challenge is the land invasions in the Willowvale commonage. People illegally demarcated sites from the municipal commonage for themselves. The municipality went to court and obtained a court order to remove the illegal occupiers.

3.10 PLANNING

INTRODUCTION TO PLANNING

During the year under review, the municipality also undertook to prepare for the implementation of Spatial Planning and Land Use Management Act (SPLUMA). The objectives of SPLUMA are:-

- Provide a uniform and coherent framework for spatial planning and land use management.
- Specify the relationship between the spatial planning and the land use management system.
- Provide for the inclusive, developmental, equitable and efficient spatial planning at different spheres of government.
- Address the legacy of past spatial planning and regulatory imbalances.
- Promote greater efficiency, consistency and uniformity in the decision-making by authorities responsible for land development decisions.

Whilst SPLUMA by-laws were adopted by council; there are still challenges related to its implementation. Some of the challenges are:-

1. Resistance from the local chiefs who see themselves as custodians of land
2. Inability to set up the municipal tribunal in the 2015/16 financial year
- 3)Public participation on by-laws was not completely done

The municipality was able to do two pilot programmes on Local Spatial Development Framework (LSDF) for Ward 27 and Ward 22.

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Applications for Land Use Development										
Detail	Formalisation of Townships		Rezoning		Subdivision		Survey		Built Environment (Building Plans)	
	Year - 2014/15	Year – 2015/16	Year – 2014/15	Year – 2015/16	Year – 2014/15	Year – 2015/16	Year – 2014/15	Year – 2015/16	Year – 2014/15	Year – 2014/15
Planning application received	2	None	10 (9 zoned to business sites)	5 (zoned to business) 35 zoned to institutional	8		300 erven in zone 14	21	45	15
Determination made in year of receipt	Layout plans approved by Council	None	Approved by Council	Approved by council	Approved by Council		-			26
Determination made in following year	N/a	None	N/A	N/A	N/A		-		N/A	
Applications withdrawn	0	None	0	None	0		-	None	13	05
Applications outstanding at year end	0	None	0		0		-	None	06	03

Planning Policy Objectives taken from IDP						
Service Objectives / Service Indicators	Service targets	2014/15		2015/16		2016/17
		Target	Actual	Target	Actual	Target
Ensure municipal land is well planned and surveyed						
Establishment of townships	No. of townships established	2	2	3	3	
Rezoning of land/erven	No. of rezoned erven	9	9	20	38	
Surveying of sites	No. of sites surveyed	15	300	20	22	
To facilitate review of the Spatial Development Framework (SDF)						
Review SDF	An approved reviewed SDF	1	1	-	-	1
Develop LSDF	An approved LSDF	-	-	1	2	1

EMPLOYEES: PLANNING SERVICES					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	No. of vacancies	Vacancies as a total of vacant posts
0 – 3					
4 – 6					
7 – 9					
10 – 12	1	1	1	0	0%
13 – 15					
16 – 18					
Total	1	1	1	0	0%

Financial Performance Year 0: Planning Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	118 892.49	566 102.00	566 102.00	1 024 176.03	-81%
Expenditure:					
Employees	191 396.32	1 166 626.00	1 166 626.00	36 360.00	97%
Repairs and Maintenance		-	-	-	
Other	1 571 754.32	2 686 231.00	2 516 231.00	631 444.64	75%
Total Operational Expenditure	1 763 150.64	3 852 857.00	3 682 857.00	667 804.64	82%
Net Operational Expenditure	-1 644 258.15	-3 286 755.00	-3 116 755.00	356 371.39	111%

COMMENTS ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL

The municipality has improved its systems in the financial year under review with the capacitation of the unit with three building inspectors taking the work from the Amathole District Municipality. This has made process of applications faster.

Rezoning applications linked to economic development is another important milestone which the municipality has done thereby assisting business development to continue. This has led to two shopping centres being built and an expansion of one shopping centre to accommodate the famous food chain – KFC in the Elliotdale area. However, the challenges include the absence of the municipal tribunal which will effectively deal with all land use applications.

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACE)

INTRODUCTION TO ECONOMIC DEVELOPMENT

The municipal LED is driven and coordinated through the development and implementation of the LED Strategy (2015). The LED Strategy deals with economic development themes that cut across all economic activities in Mbhashe Local Municipality. Whilst administrative boundaries may be tightly drawn in terms of local municipalities that fall under the Amathole DM, partnerships and trade across municipal boundaries are encouraged particularly in support of the concept of Wall - to - Wall Municipalities as is contained in the South Africa Constitution.

The Mbashe LED Strategy (2015) is focused more on creating an enabling environment by developing programmes and making available resources to support viable and bankable projects and economic opportunities that will in turn be identified by local businesses, entrepreneurs and residents at large. The Mbashe LED Strategy (2015) is necessary to reflect the envisaged changed economic conditions and the development priorities with effective LED implementation partnerships. Mbashe Local Municipality therefore is in some competitive position.

Chapter 3 of the Mbashe LM's Integrated Development Plan (2015/2016) refers to three (3) areas of investment opportunities which is the agriculture development, the enterprise development and the tourism development. These are based on the current economic situation Mbashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does take place, these matters are considered to be supportive elements that will not, of their own, result in the development of the economic base and have, therefore, not been included in the three main economic areas.

The key Strategic Thrusts as per the Mbashe LM IDP (2015/16), which form the basis of this strategy are:-

- Strategic Thrust 1: Agriculture Development.
- Strategic Thrust 2: Enterprise Development.
- Strategic Thrust 3: Tourism Development.

The municipality has implemented various programmes to advance economic development especially in the Agriculture, Enterprise and Tourism economic sectors as LED strategy implementation mechanism.

Agriculture Development:

Performance Overview on Key Strategy Drivers

- Seedlings and fruit trees: Two commodity products were made available as assistance to farmers in the form of citrus trees and vegetable seedlings.

- Maize production and Farmer information days: Capacity building programme as part of farmer support and assistance was rolled out benefiting sixteen local farming associations.
- Agriculture related projects / infrastructure: LED infrastructure initiatives projects were identified and were implemented towards sustainable job opportunities and the reduction of poverty. Dipping tanks, shearing sheds were renovated as focusing on livestock infrastructure improvement programme for small scale farmers.
- Livestock improvement programme: Mbhashe Local Municipality was identified as one area within Amathole District Municipality that was extremely affected by drought negatively impacting on livestock farming and water dam levels running dry. Mitigation measures were mainly targeting Ward 4, 5, 6, 7, 8 and 31 that were extremely affected by drought and stock feed was distributed as farmer support and assistance. Furthermore, stock remedy was also distributed to all 31 wards as farmer assistance.

Enterprise Development:

Performance Overview on Key Strategy Drivers

- Training and development programme: Community confectionery bakery co-operatives received training support geared at product quality improvement, governance issues and financial management.
- SMMEs assistance and Co-operative support: LED core strategic thrust is to support sustainable enterprises and to such an extent, the SMME support programme assisted and supported 5 SMMEs. 40 Co-operatives were given assistance in the form of basic financial management training course.
- Informal trader support: LED has been continuously giving support to the informal economy in the form of financial and non-financial assistance to hawkers. 600 hawkers received training with freezer jackets, cooler boxes, umbrellas and gazebo tents that were distributed to Mbhashe hawkers. Furthermore, 35 hawker stalls at Elliotdale have been erected for distribution to registered street traders with trading permits.

Tourism Development:

Performance Overview on Key Strategy Drivers

- Product owner training assistance: Capacity building as the mechanisms to improve craft products was conceptualized and offered to crafters focusing on beading and weaving. Furthermore, crafters were assisted with machinery and equipments in the form of sewing machines and materials.
- Internal and external mega events: In order to maximise and increase visitors within Mbhashe as a preferred destination of choice, hence, Mbhashe Municipality provided support to local events which are intended to increase visitors, increase spending and revenue, ensuring geographical spread of tourism spin-offs and cutting seasonal tourism issues.
- Heritage tourism: LED has been providing hand on approach by ensuring preservation of heritage resources at Mbhashe Municipality which are then made available as tourist products for consumption and

research. Furthermore, 5 heritage properties have been maintained following heritage prescripts and legislation thus ensuring its original appeal and universal value is sustainable preserved.

The Mbashe LED Strategy is focused more on creating an enabling environment by developing programmes and making available resources to support projects that will in turn be identified by local businesses, entrepreneurs and residents at large. Mbashe Local Municipality is in some competitive position.

Chapter 3 of the Mbashe LM's Integrated Development Plan refers to three (3) areas of investment. These are based on the current economic situation Mbashe LM finds itself in and is aimed at building on the existing strengths and exploiting the unique opportunities presented by the local economy and the specific physical and demographic environment of the Municipality.

While issues such as the development and upgrading of economic infrastructure, improved institutional capacitation and good governance do have a role to play in ensuring that effective economic development does takes place, these matters are considered to be supportive elements that will not, of their own, result in the development of the economic base and have, therefore, not been included in the three main areas.

The key Strategic Thrusts as per the Mbashe LM IDP, which form the basis of this strategy, are:-

- Thrust 1: Agriculture.
- Thrust 2: Enterprise Development.
- Thrust 3: Tourism Development

The municipality has implemented many programmes to advance economic development especially in the Agriculture and Tourism sectors..

Economic Activity by Sector			
			R '000
Sector	Year -2	Year -1	Year 0
Agric, forestry and fishing			3.7%
Mining and quarrying			0.3%
Manufacturing			4.3%
Wholesale and retail trade			15.4%
Finance, property, etc.			13.9%
Govt, community and social services			51.6%
Infrastructure services			3.3%

Economic Employment by Sector			
			Jobs
Sector	Year 1	Year -1	Year 0
Agric, forestry and fishing	31%	31%	31%
Mining and quarrying	%	2%	2%
Manufacturing	13%	13%	13%

Wholesale and retail trade	47%	47%	47%
Finance, property, etc.	6%	6%	6%
Govt, community and social services	11%	11%	11%
Infrastructure services	12%	12%	12%
Total	122	122	122

COMMENT ON LOCAL JOB OPPORTUNITIES

The municipality has had a variety of programmes leading to job creation. These included the Community Works Programmes and Expanded Public Works Programme. Apart from the two above, the municipality's strategic objective is to create self-employment through its LED programmes and business retention and attraction strategies. As a result of the two aforesaid programmes, the municipality has managed to create job opportunities.

The Expanded Public Works Programme:

Mbhashe Local Municipality has created 695 temporary job opportunities by implementing EPWP through LED infrastructure projects, such as tourism, agriculture and confectionery community bakeries.

The Ama-Jingqi - Macadamia Project:

As of end June 2016, Ama-Jingqi Macadamia Farm had a staff compliment of 72, consisting 58% males and the remaining 42% female employees. They can further be analysed as per their ages, as illustrated in the table below:

Age Category	Number of Employees	Percentage
18-35	38	53%
36-45	18	25%
46-55	13	18%
56-65	3	4%

Source: Ama-Jingqi Macadamia Farm Report 2016

Jobs Created during Year 0 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -2				
Year -1				
Year 0	72	0	72	Staff monthly payment slips
Initiative A (Year 0)	65	0	65	
Initiative B (Year 0)	0	0	0	
Initiative C (Year 0)	0	0	0	

JOB CREATION THROUGH EPWP PROJECTS		
Details	EPWP Projects	Number of jobs created through EPWP projects
2015/16	LED Infrastructure Projects	105
	Land Rehabilitation programme	132
	Recyclers	10
	Plant Operators	08
	Rural Waste	124
	Willowvale Squatter Camp	09
	Waste Pickers	75

	Pound Assistants	14
	Street Cleaning	155
	Administrative Assistants	06
	Libraries	09
	Electrical Assistants	4
	Waste Transporters	13
	Off- loaders	26
	Land fill sites	4
	EPWP Coordination	07
	Infrastructure - MIG	17
	TOTAL	695

EMPLOYEES: Local Economic Development Services					
Job level	2013/14	2014/15			
	No. of employees	No. of posts	No. of employees	Vacancies	Vacancies (as a % of total posts)
0 – 3					
4 – 6					
7 – 9	1	2	2	0	0%
10 – 12	3	4	4	0	0%
13 – 15	0	1	1	0	0%
16 – 18					
19 – 20	1	1	1	0	0%
Total		8	8	0	0%

Local Economic Policy objectives taken from IDP 2015/16								
Service objectives	KPI	2013/14		2014/15		2015/16		2016/17
		Targ et	Actu al	Targ et	Actu al	Target	Actual	Target
To reduce poverty and unemployment through viable and sustainable job creation strategies.								
By facilitating multiplier effects from EPWP projects	Number of people employed through EPWP.	N/A	N/A	2000	2000	2000	695	1540
By formulating strategies that promote investment and economic growth.	Economic Summit& Retention strategy	N/A	N/A	N/A	N/A	Econo mic summit and retentio n strategy	Approv ed concept docume nt.	Approv ed Econo mic summit and retentio n strateg y
By promoting entrepreneurial access to markets	Number of SMME's linked to formal markets	4	0	5	5	3	5	
By capacitating and assisting informal traders	Number of informal traders assisted	4	5	4	6	4		4
Ensure community access to market through	No. of craft projects assisted	16	16	15	12	10		10

their skills and capacity development								
Experiential	No. of projects visited	1	1	N/A	N/A	N/A		N/A
Ensure existing tourism projects/fisherman's cabins are operational	Projects/fisherman cabins	1	0	N/A	N/A	N/A		N/A
Ensure that the local community of Mbhashe are involved in and benefits for tourism by means of accommodation	Number of community homestays trained	3	3	3	2	2		1
	Number of community trusts trained	2	2	2	2	2		1
To ensure job creation through development								
Facilitate development of SMMEs, cooperatives and informal traders	Number of SMMEs trained	9	9	25	30	30		40
	Number of co-operatives trained	20	20	40	45	40		40
	Number of Hawkers trained	N/A	N/A	40	40			
Supply equipment and materials to co-ops	No. of co-operatives supplied with equipment and material	3	3	5	6	6		6
To supply equipment and material	No. of hawkers assisted	150	150	N/A	N/A			
To ensure improvement in agriculture								
Informing farmers about latest methods for improvement of their production	No. of information days	16	18	16	17	16		16
Provide and construct new dipping tanks	No. of dipping tanks constructed	6	6	4	4	4		6

and renovate the old ones for small stock	and renovated							
Ensure support for vegetable produce	No. of projects /wards supported	31	31	31	31	31		32
Facilitate and provide fencing material	No. of sites fenced	13	13	13	15	12		12

Financial Performance Year 0: Local Economic Development Services						R'000
Details	Year -1	Year 0				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget	
Total Operational Revenue	-	-	-	-		
Expenditure:						
Employees	3 669 695.64	2 162 456.00	2 162 456.00	3 179 177.75	-47%	
Repairs and Maintenance	14 938.18	-	-	-		
Other	8 208 630.98	16 290 399.00	17 177 499.00	13 252 614.38	23%	
Total Operational Expenditure	11 893 264.80	18 452 855.00	19 339 955.00	16 431 792.13	15%	
Net Operational Expenditure	-11 893 264.80	-18 452 855.00	-19 339 955.00	-16 431 792.13	15%	

Capital Expenditure Year 0: LED						R' 000
Capital Projects	Year 0					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value	
Total All	40,000	40,000	4,912	88%	40,000	
Computers and Printers	40,000	40,000	4,912	88%	40,000	

COMMENTS ON ECONOMIC DEVELOPMENT

Economic development is measured as the best performing functional area as it experienced over performance in most of its functions. In this regard, many farmers were assisted through information sharing sessions, cooperatives and SMMEs were assisted as planned.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

INTRODUCTION

Mbhashe has a competence for amenities and community facilities like halls, pounds, cemeteries, sports fields, ablution facilities, beaches, child care facilities, parks & public places and workers' facilities. .

Halls: - The municipality has been constructing multi-purpose community halls in many of its wards to aid communities with proper spaces for their meetings and functions. These facilities are constructed through the use of MIG and once finished, they are owned, operated and maintained by the municipality. The key challenge so far has been the lack of adequate funds to constantly maintain and offer security services to our facilities. Another challenge is the role of the Mbhashe as against the community in the management of these facilities. In all our units, there are halls (town, TRC halls and MPCs). An assessment report of all the community halls in Mbhashe has been developed and estimated costs of repairing the community halls is around R21m. 10 Community halls have been renovated.

Sports fields:- As is the case with the halls, these facilities are scattered throughout the Municipality, with some located in urban centers, whilst others are placed at ward centers. These facilities are poorly managed with no personnel attached to them. On this front, it is worth noting that one sports field located in Ngxakaxa (Ward 2) was constructed by the local private business person.

Cemeteries:- Cemeteries are a core competence of Mbhashe municipality and our role is largely to plan and ensure provision of land for burial as well as support with such services as registrations and mobilization of resources for fencing of facilities. Lack of funds is often cited as a reason why there is poor maintenance of cemeteries across all Units. Cemeteries are currently categorized into urban and rural (communal and private). Historically, the Municipality is largely responsible for the management and operation of the urban cemeteries, whilst the rural communal cemeteries are the responsibility of the communities concerned. Obviously, the private cemeteries in the homesteads become the responsibility of the family concerned. Currently all the urban cemeteries are fenced in.

Workers' facilities:- These are facilities that are meant for our staff like change-rooms, sitting places as well as recreational spaces. The construction of these facilities is at an advanced stage and is managed by Land & Housing section of the Development Planning Department.

Beaches:- Mbhashe is well endowed with a beautiful and wild coastline that covers certain parts of Willowvale and Elliotdale. Certain parts of the coastline are used by the public for leisure, especially during Easter and summer holidays. As a result of that, there are some leisure facilities in the form of public toilets, showers, signage, braai areas and others that needs to be managed and maintained from time to time. The Department of Environment (DEA) is doing well in terms of its Working for the Coast (WfC) programme that includes cleaning of the coastal line, provision of necessary infrastructure and development of the Coastal Management Plan for Mbhashe Local Municipality.

Child care facilities:- This is a fairly new field that has been introduced in the current financial year. An amount of R1m was set aside for the provision of the Early Childhood Development Centers (ECDs) play facilities as well as doing assessment for the sixty (60) ECDs.

3.12 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER\

This is the concurrent function of the National and Provincial governments. The Department of Sports, Recreation, Arts and Culture (DSRAC) has since entered into a memorandum of agreement with local municipalities, including Mbhashe to manage and administer these facilities. Despite the MOA, we have numerous challenges of unfunded mandates, resulting in some libraries either being dilapidated or closed altogether.

An amount of R350 000 was transferred by the DSRAC for the maintenance and management of these facilities.

Financial Performance Year 0: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1 550 110.59	2 996 155.00	3 996 155.00	4 285 497.91	-7%
Expenditure:					
Employees	10 247 449.25	11 323 942.00	11 323 942.00	11 159 938.95	1%
Repairs and Maintenance	3 451 246.02	8 204 048.00	5 322 710.00	4 570 232.24	14%
Other	5 598 519.47	12 730 103.00	11 990 103.00	10 516 939.36	12%
Total Operational Expenditure	19 297 214.74	32 258 093.00	28 636 755.00	26 247 110.55	8%
Net Operational Expenditure	-17 747 104.15	-29 261 938.00	-24 640 600.00	-21 961 612.64	11%

The Municipality has set herself, as part of the first three priorities the following and progress on each:-

- Renovation of eight (08) community halls – very little progress has been registered on this front due to some of the delays in the appointment of the service provider to undertake the work.
- Maintenance and upkeep of the libraries – an amount of R300k was transferred by the DSRAC to Mbhashe as part of the SLA. The Dutywa Library that was closed for almost a year due to the lack of funding was re-opened again
- Establishment and maintenance of the Municipal Parks- some progress was registered on this front in the form of a new park with children playing equipment is under construction that is due to be completed in the first quarter of the new financial year.

3.13 CEMETERIES & CREMATORIUMS

Developed designs for the fencing in of the three (03) urban cemeteries, funded through MIG programme. Done the routine maintenance in the form of grass cutting and clearing of the overgrown vegetation in cemeteries.

Financial Performance Year 0: Cemeteries and Crematoriums					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	-	3 264.00	3 264.00	-	100%
Expenditure:					
Employees	-	-	-	-	
Repairs and Maintenance	-	-	-	131 789.61	0
Other	44 800.00	209 600.00	209 600.00	-	100%
Total Operational Expenditure	44 800.00	209 600.00	209 600.00	131 789.61	37%
Net Operational Expenditure	-44 800.00	-206 336.00	-206 336.00	-131 789.61	36%

3.14 CHILD CARE, AGED CARE AND SOCIAL PROGRAMMES

INTRODUCTION

This is fairly new field that has been introduced on the current financial year. An amount of R1M was set aside for the provision of the Early Childhood Development Centers (ECDCs) play facilities as well as doing assessment for the sixty (60) ECDCs.

COMPONENT E: ENVIRONMENTAL PROTECTION

INTRODUCTION TO ENVIRONMENTAL PROTECTION

In the previous year, the environmental management unit has embarked on various projects that assist the Local municipality towards a more sustainable environmental and social state. Mbhashe Local Municipality have natural resources that need to be conserved i.e. Nature Reserves, Parks, vegetation types, water resources, estuaries, wetlands and heritage sites as it is along the coast. Capacity within the municipality is a challenge i.e. human resource and finance is an issue. Estuaries and specific land areas are infested by alien plants; DEA Natural Resource Management Branch has projects on the ground in dealing with the alien vegetation. These projects are taking place in Ward 22 and Ward 27 in

Willowvale. However the municipality will expand the program taking it to other areas where alien vegetation is the problem..

Land Rehabilitation

In the past year, Mphashe engaged in the land rehabilitation programme with the five years (05) wards (ward 4, 5,6,12 & 31). The programme saw the employment of (60) people through the EPWP programme to rehabilitate the damaged and eroded lands. Meanwhile a Land Rehabilitation Plan is underway for the illegal sites around the town of Dutywa. Land degradation is a global phenomenon, which is leading to the reduction and loss of the biological and economic productivity capacity of land. The Mphashe Local Municipality is one of those rural municipalities that face a delinquent crisis of eroded land due to a number of causes. Some causes are those of human activities exacerbated by natural processes and magnified by climate change and biodiversity loss.

Tree Planting

Tree Planting Programme constitutes greening in schools by developing vegetable gardens and planting trees; this also comes with a provision of vegetable seedlings. School learners have to be interactive with their gardens in their classrooms and learn on the importance of taking care of their environment.

The importance of planting trees is known to be broad. It starts from playing a vital role in the battle against climate change, feeding our rivers and help regulate the impact of storms and floods. Trees also provide much needed oxygen and sequester carbon dioxide and also increase biodiversity interest.

In schools, trees provide a healthy and beautiful playground as they provide for shade for learners. Trees are also able to improve an area water quality, hence the need for planting more trees around the area of Mphashe suffering from Climate Change Impacts.

The tree planting programme was taken to many villages targeting government and public properties such as schools, clinics and halls as the first target. The programme was taken to 7 villages in the 2015/16 financial year.

Awareness Programmes:

Mphashe Local Municipality, Environmental Management Unit together with the Department of Economic Development, Environmental Affairs, and Tourism, the Environmental Quality Management Unit (EQM) have worked jointly in undertaking awareness programmes for councillors and chiefs, the focus was mainly with the chiefs residing along the coast. Programmes that took place were "Understanding the Importance of Environmental Impact Assessments" (EIAs) and "Threatened Ecosystems and Endangered Species".

These awareness programmes had a productive outcome as there were concerns raised on environmental impacts which were noted for the succeeding year..

3.15 POLLUTION CONTROL

The municipality does not perform the function

3.16 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION TO BIO-DIVERSITY AND LANDSCAPE

There is overwhelming evidence that climate change will lead to a loss in Biodiversity. The predicted changes in the natural environment for South Africa include a reduction in the ranges of species by up to 80% as well as 30% of endemic species being increasingly vulnerable to extinction.

Projected changes to the Biomes within the Mbhashe Municipality.

The three Biomes in Mbhashe are Indian Ocean Coastal Belt, Grassland and Savanna (Mucina and Rutherford, 2010). Due to increasing temperatures and changes in trends of precipitation resulting from climate change, species richness may be reduced. In addition, the Grassland Biome is likely to be reduced in spatial extent, while the spatial area of the Desert Biome is predicted to increase (UNEP, 2011). The decreased spatial extent of the Grassland Biome is also likely to be reduced due to the invasion of trees and woody species. This would ultimately lead to a shift towards Savanna type characteristics.

Possible responses to mitigate against the effects on the biodiversity and tourism sector:-

- I. Awareness regarding the worth of utilising biodiversity to help in societal adaptation to the effects of climate change, needs to be increased
- II. The establishment and expansion of protected areas needs to happen, as well as the creation of partnerships to allow for the effective management of areas which are not formally protected, particularly those in the Grassland Biome.

COMPONENT F: HEALTH

This component includes: health inspections.

3.19 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC.

INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

Function is performed by the district.

COMPONENT G: SECURITY AND SAFETY

INTRODUCTION TO SECURITY AND SAFETY

Mbhashe LM is mainly responsible for the provision of the safety and security matters in the form of traffic regulations and by-law enforcement. We have seen a lot of improvement in this field in the form of establishing a fully-fledged unit dealing with the law enforcement, appointment of the head of the law enforcement unit (Commander – Law Enforcement) and an additional ten (10) law enforcement officers.

3.20 POLICE

INTRODUCTION TO POLICE

The Law Enforcement section has been properly structured and the personnel appointed in critical posts. Some of the highlights include the appointment of the Chief Law Enforcement Officer, Commander Law Enforcement, ten (10) law enforcement officers and traffic officers.

MUNICIPAL POLICE SERVICE DATA

Municipal Police Service Data					
Description	Year -1	Year 0		Year 1	
	Actual no.	Estimate No.	Actual no	Estimate No.	
1. Number of the road traffic accidents during the year	742	750	851	900	
2. Number of by-law infringements attended	5	10	5	10	
3. Number of police officers in the field on an average day	10	10	6	10	
4. Number of police officers on duty on an average day	15	20	14	20	
T 3.20.2					

Municipal Police Service Data					
Description	Year -1	Year 0		Year 1	
	Actual no.	Estimate No.	Actual no	Estimate No.	
1. Number of the road traffic accidents during the year	742	750	851	900	
2. Number of by-law infringements attended	5	10	5	10	
3. Number of police officers in the field on an average day	10	10	6	10	
4. Number of police officers on duty on an average day	15	20	14	20	
					T 3.20. 2

[illegible]

EMPLOYEES

Employees: Police Officers					
Job Level	Year -1	Year 0			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	1	1	1	0	0%
Other Police Officers	5	5	1	4	80%
0 – 3	0	0	0	0	0%
4 – 6	15	15	15	0	0%
7 – 9	9	9	7	2	22%
10 – 12	1	5	4	1	20%

13 – 15					
16 – 18					
19 – 20					
Total	31	35	28	7	20%

3.21 FIRE

Function performed by the District.

3.22 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL OF PUBLIC NUISANCES)

Functions performed by the District.

COMPONENT H: SPORT AND RECREATION

3.23 SPORT AND RECREATION

The existing sport facilities and community halls were maintained to such a standard it was accessible to the public. The vandalism of facilities by members of the public is still a major problem and proper security measures still needs to adhered to. The sport and recreation main objective is to advocate and actively involve community in sport and recreation activities, while promoting healthy and active lifestyle

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

INTRODUCTION TO CORPORATE POLICY OFFICES

3.24 EXECUTIVE AND COUNCIL

INTRODUCTION TO EXECUTIVE AND COUNCIL

The municipality has the political stability which enables Council to oversight through its section 79 and 80 committees. The Mbhashe municipality has two management teams a political and an administrative team. The political team made up of Councillors and headed by the Mayor. This team makes strategic and policy decisions for the residence and businesses. The administrative team is headed by the Municipal Manager assisted by the senior managers in ensuring that the decisions taken by the council are implemented

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
To ensure coordination , cooperation and joint planning g between spheres of government by 2017									
Revive and strengthen IGR structures within the municipality	No of IGR meetings held	4	4	4	4	4	4	4	4
To ensure optimum functionality of council and its structures									
Coordinate functioning of council oversight structures	No of council and its structures' meeting organised	20	48	72	24	37	24	24	24
To enhance and promote communication in all municipal activities									
Reviewal and implementation of communication strategy	Reviewed communication strategy	3	5	2	Adopted Reviewed communication strategy	Adopted Reviewed communication strategy	-	-	-
To ensure that all stakeholders participate in the affairs of the municipality									
Review and implement public participation and petition strategy	Reviewed public participation and petition strategy	3	3	3	Existing public participation and petition strategy	Existing public participation and petition strategy	-	3	30
Improve the functioning and reporting of ward committees	No of reports submitted			34	124				



Strengthen the relations between CDW's , ward committees and ward councillors	No of meetings held				4				
Regular communication on communities on the achievements of targets set out in IDP	No of community imbizo's held			31	31				

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 543 000.00	11 047 000.00	11 047 000.00	11 047 000.00	0%
Expenditure:					
Employees	22 065 375.95	25 585 611.00	25 585 611.00	24 374 085.69	5%
Repairs and Maintenance	48 793.27	63 661.00	63 661.00	143 435.79	-125%
Other	3 641 285.59	4 419 857.00	4 419 857.00	5 447 526.03	-23%
Total Operational Expenditure	25 755 454.81	30 069 129.00	30 069 129.00	29 965 047.51	0%
Net Operational Expenditure	-15 212 454.81	-19 022 129.00	-19 022 129.00	-18 918 047.51	1%

Financial Performance Year 0: The Executive and Council					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	10 543 000.00	11 047 000.00	11 047 000.00	11 047 000.00	0%
Expenditure:					
Employees	22 065 375.95	25 585 611.00	25 585 611.00	24 374 085.69	5%
Repairs and Maintenance	48 793.27	63 661.00	63 661.00	143 435.79	-125%
Other	3 641 285.59	4 419 857.00	4 419 857.00	5 447 526.03	-23%
Total Operational Expenditure	25 755 454.81	30 069 129.00	30 069 129.00	29 965 047.51	0%
Net Operational Expenditure	-15 212 454.81	-19 022 129.00	-19 022 129.00	-18 918 047.51	1%

COMMENT ON THE PERFORMANCE OF EXECUTIVE AND COUNCIL

Council Meetings

The Municipal Structures Act requires that council should meet at least once a quarter. Mbhashe Municipality has in the previous year exceeded this required. All the issues that hinges on the legislative provisions were performed to the full expectations oversight structures.

Attendance to Council Meetings

Mbhashe Municipality boasts a very high record of attendance for all the council meetings convened for the year under review with most of the instances wherein councillors were unable to attend, apologies were tendered and approved.

All Party Whippers

Council has also provided for mechanisms for political entities to council to be able to find one another on an extended avenue made available through the office of the Chief Whip

Section 80 Committees

Section 80 committees are performing their functions very well. Their work assists council in dealing with the details in respect of the matters that are to be table before council for consideration, thus making the business of council less cumbersome.

Section 79 Committees

The Municipal Public Accounts Committee has been fully constituted and members were given the requisite training.

3.25 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The municipality's financial services office is made up of the following units:

Budget Office: Responsible for preparing the budget and related policies. This section has also ensured that the Municipality's Annual Financial Statements are prepared in conjunction with appointed service provider and over the past 3 years the Qualified opinion expressed by the Auditor General's office during the past financial year audits and the current year's audit. The municipality is moving towards the direction of producing the Annual Financial Statements in-house.

Expenditure Management: Responsible for monitoring payments made to service providers, ensuring that controls exist regarding the municipality's contract management and that all payments made by the municipality have followed the proper control process.

Procurement: Responsible for monitoring controls over the Supply chain management process and ensuring that controls exist to mitigate against any risks that might affect the supply chain processes. The unit oversees procurement process from minor purchase order, mini tenders to open bid tenders and reports on the system in place to Provincial and National Treasury as stipulated in the MFMA.

Assets Management: Responsible for monitoring and maintenance of all the municipal assets and safekeeping of all assets. Performing physical verification of assets and ensuring that the municipality maintains a GRAP compliant assets register.

Revenue: Responsible for revenue collection, the process of updating the valuation roll, billing services, providing assistance to ratepayers regarding accounts queries.

Outstanding debt is still a concern for the municipality therefore one of our main priorities is to continue being focused on debt collection. To improve on this endeavour the municipality went on tender to appoint a Debt Collector to assist with long outstanding debt collection for defaulters where our own Credit Control Section has been unable to collect. The award was made in the last quarter and the municipality managed to collect R 1, 3 Million due to debt collection efforts.

The General Valuation Roll came into effect on 1 July 2014 and is valid to 30 June 2018.

Debt Recovery							
R' 000							
Details of the types of account raised and recovered	Year -1		Year 0			Year 1	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	6 867 696.00	83.18%	8 256 762.12	6 759 164.35	82%	3 621 026.00	100%
Electricity - B							
Electricity - C							
Water - B							
Water - C							
Sanitation							
Refuse	1 024 393.51	85%	1 210 669.19	220 144.51	18%	1 200 000.00	100%
Other							

Employees: Financial Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3					
4 – 6					
7 – 9	21	11	9	2	18%
10 – 12	9	8	8	0	0%
13 – 15	4	1	1	0	0%
16 – 18		1	1	0	0%
19 – 20	1	1	1	0	0%
Total	35	22	20	2	9%

Financial Performance Year 0: Financial Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	182 053 243.81	234 332 635.00	240 764 297.00	237 093 501.73	2%
Expenditure:					
Employees	5 769 198.88	7 363 487.00	7 363 487.00	7 420 207.03	-1%
Repairs and Maintenance	57 588.32	83 840.00	103 840.00	87 353.25	16%
Other	16 623 058.47	21 977 695.00	21 857 695.00	18 571 494.01	15%
Total Operational Expenditure	22 449 845.67	29 425 022.00	29 325 022.00	26 079 054.29	11%
Net Operational Expenditure	159 603 398.14	204 907 613.00	211 439 275.00	211 014 447.44	0%

Capital Expenditure Year 0: Financial Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	400 000	1 000 000	1 054 171	-5%	1 000 000
COMPUTERS AND PRINTERS	150 000	250 000	141 002	44%	250 000
OFFICE FURNITURE AND EQUIPMENT	250 000	750 000	872 810	-16%	750 000
SUPPLIER DATABASE	-	-	40 359	-	-
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.25.6					

Financial Service Policy Objectives Taken From IDP									
Service Objectives Service Indicators (i)	Outline Service Targets (ii)	Year -1		Year 0		Year 1	Year 3		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
To increase revenue collection by 50% in June 2017									
Implementation of credit control and debt collection policy	Amount collected on all outstanding debts			0.1			0.15	0.2	
Ensure data integrity in the billing system	Ratio of billing versus collection			46%	80%				
To establish a fully-fledged and effective supply chain management by 2016									
Development and operationalization of SCM Plans	Development of Institutional Procurement plan			1	Developed Procurement Plan 15/16	Developed Procurement Plan 15/16	Developed Procurement Plan 16/17	Developed Procurement Plan 17/18	Developed Procurement Plan 18/19
Promotion and maintenance of SCM systems through compliance with laws and regulation	Amount in irregular expenditure to decrease			21M	10M				
Each Head of Department to be responsible for their own contract management	Number of compliant contracts								
To ensure sound financial management, compliance and regular reporting at all times									
Implementing effective internal controls and monitoring compliance	Timely submission of compliance reports to Council, Treasury and Auditor General.			Section 71, 52, 72 and AFS	Compliance of reports as per MFMA Calendar	Compliance of reports as per MFMA Calendar			
To ensure that municipal assets are adequately managed and monitored									
Establishment of a fully-fledged asset management unit	GRAP compliant immovable and movable asset register			Asset Register not fully GRAP Compliant	Updated GRAP Compliant Asset Register	Updated GRAP Compliant Asset Register			

				ant	r				
To ensure that the budget is aligned to the IDP									
<i>Develop credible budget that is aligned to IDP</i>	<i>Timeous approval and submission to Treasury</i>			<i>Timeous approval and submission</i>	<i>Approved budget by 31 May 2016</i>	<i>Approved budget by 31 May 2016</i>			
To ensure that our budget is transparent and properly monitored									
<i>Abiding to the IDP & Budget process plan and effective publishing of our budget</i>	<i>Positive assessment by Treasury</i>			<i>Credibl e bud get</i>	<i>Credibl e budget</i>	<i>Credibl e budget</i>			

3.26 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources Management Services rendered by Mbhashe aim to achieve the following:

1. Establish and maintain a working environment that encourages personal growth, development and job satisfaction
2. Attend to the Human Resources requirements of the various municipal departments
3. Ensure that Human Resources policies and procedures are administered to protect the interest of both the municipality and its employees
4. Render recruitment and selection
5. Maintain and monitor conditions of services and
6. Administer personnel and staff movement

SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

Human Resources service 61 Councillors and 10 Traditional Leaders (due to loss of two T/Leaders who passed away) in addition to a total number of 226 permanent employees as at 30 June 2016. Total number of vacant posts as at 30 June 2016 amounts to 50.

1. Three is awaiting shortlisting (Traffic Officer (2), Driver Supervisor (1) 27d Supervisor facilities (1) Team Leaders (9) Genereal Assistance (24) Superintendent Licencingn(1)
2. Two are awaiting capturing (Jnr Budget and Salaries Clerk)
3. Two Artisan (Mechanical & Electrical) are awaiting shortlisting. 4 General Assistance awaiting advertisement/
4. Legal and Compliance Manager (1) SPU Cordinator (1) Unit Manager Elliotdale (1) Senior Committee Clerk (1) are awaiting advertisement

Employees: Human Resource Services					
Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3		9	9	0	0%
4 - 6		1	1	0	0%
7 - 9		5	5	0	0%

10 - 12	1	4	4	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	1	1	0	0%
Total	2	23	21	2	4%

Financial Performance Year 0: Human Resource Services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	178 286.08	100 000.00	100 000.00	47 874.41	
Expenditure:					
Employees	3 021 874.90	5 390 943.00	5 390 943.00	3 570 204.61	
Repairs and Maintenance	5 473.76	6 135.00	6 135.00	7 242.42	
Other	1 879 200.68	3 820 779.00	3 942 579.00	5 594 714.60	
Total Operational Expenditure	4 906 549.34	9 217 857.00	9 339 657.00	9 172 161.63	
Net Operational Expenditure	-4 728 263.26	-9 117 857.00	-9 239 657.00	-9 124 287.22	

Capital Expenditure Year 0: Human Resources					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	800,000	800,000	582,676	27%	800,000
Computers and Printers	50,000	50,000	24,370	51%	50,000
Office Furniture & Equipment	50,000	50,000	1,320	97%	50,000
Vehicles	700,000	700,000	556,986	20%	70,000

Human Resource Services Policy Objectives Taken From IDP									
Service Objectives <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year -1		Year 0			Year 1	Year 3	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>To capacitate employees and councilors in order to enhance service delivery by 2017</i>		62 Ward Committee Members Trained	31 Trained		Two officials registered and attending through Fort Hare University, 5 Officials registered at Unisa, Awaiting for a signed notice for 5 training and skills programmes	Confirmation of registration from Fort Hare and Attendance Register, Confirmation of registration from Unisa, Proof of payment			
		4 Training programmes for officials	5 officials ABET Programmes						
		10 officials assisted for Study Programme	Assistance for 1st Semester for 10 officials		8 Councillors registered and attending through Fort Hare University, Awaiting for a signed notice for 1 training and skills programme	Confirmation of registration from Service Provider, Terms of reference and Procurement Plans submitted to Supply Chain Office			
		Approved By-laws	none		13 new appointed	Appointment letter			

		Implementatio n plan			personnel				
		Development 5 HR policies				Cellphone allowance and internship policy			
		Reviewal of 6 HR Policies							

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCES SERVICES OVERALL

According to 2014/15 Municipal IDP, one the projects identified was the Employee Assistant Programme (EAP), which the municipality managed to appoint a service provider to manage the Wellness programme for all municipal councilors and staff for a period of two years.

As far as recruitment is concerned, we have managed to fill up to 120 posts. Amathole District Municipality developed the HR Plan for all that municipality under Amathole district in 2013. What is left with Mbhashe is to review the plan and customize it to talk to Mbhashe LM...

Although the Municipality met its target of capacity building of councilors and staff, some of the implemented training programmes were outside of the approved 2015/2016 Workplace Skills Plan (WSP). The shortage of staff was addressed and all vacancies in the department of HR were filled.0

3.27 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT unit managed to upgrade the email system through the implementation of Mimecast email system. VPN has been Installed and configured for all municipal offices. The telephone system was also improved to include the satellite offices. Satellite units are connected to the main building (main server) over VOIP also telephone systems were improved to IP phones.

The following ICT policies are to be reviewed. Acceptable and Usage policy, Password policy, network policy, Internet Usage policy, Email Usage policy, Disclaimer, 3G card policy, Data and Information Storage policy, Backup and Restore policy, Change Management policy, ICT equipment and System Procurement policy

ICT Service Policy Objectives Taken From IDP								
Service Objectives	Outline Service Targets	2013/14		2014/15			2015/16	
		Target	Actual	Target		Actual	Target	
Service Indicators		*Previous Year		*Previous Year	*Current Year		*Current Year	*Current Year
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Ensure Effective And Efficient ICT By 2017								
Review ICT policies	Reviewed ICT policies	7	7	7			7	-
Review ICT governance framework	Reviewed ICT governance framework	1	1	1	1	0	1	-

Employees: ICT Services					
JOB LEVEL	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6					
7-9					
10-12	1	2	2	0	0%
13-15	1				
16-18	0	1	1	0	0%
19-20	0			0	0%
Total	2	3	3	0	0%

Capital Expenditure Year 0: ICT Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 150 000	2 200 000	804 383		2 200 000
CABLES	300 000	300 000	183 415	39%	223 282,28
DISASTER RECOVERY	400 000	400 000	362 981	9%	400 000
VPN	300 000	400 000	-	100%	188298,98
SOFTWARE	1 000 000	950 000	189 805	80%	686,291
SERVERS	150 000	150 000	68 182	55%	R183, 540.00
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.27.6					

Capital Expenditure Year 0: ICT Services					
R' 000					
Capital Projects	Year 0				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2 150 000	2 200 000	804 383		2 200 000
CABLES	300 000	300 000	183 415	39%	300 000
DISASTER RECOVERY	400 000	400 000	362 981	9%	400 000
VPN	300 000	400 000	-	100%	400 000
SOFTWARE	1 000 000	950 000	189 805	80%	950 000
SERVERS	150 000	150 000	68 182	55%	150 000
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					
T 3.27.6					

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL

The ICT unit managed to upgrade the email system through the implementation of Mimecast email system. VPN has been Installed and configured for all municipal offices. The telephone system was also improved to include the satellite offices. Satellite units are connected to the main building (main server) over VOIP also telephone systems were improved to IP phones.

ARCHIVES OR REGISTRY

In line with the National Archives and Records Services Act of 1996 and Promotion of Access to Information Act 2 of 2000, registry protects, maintain municipal records. It also promotes access to information held at registry. It also serves as institutional memory where all records such as Policies, IDP, Financial statements, Annual reports and other strategic documents are made available to the public and staff. It serves to promote preservation of records of enduring value and disposal of ephemeral value. It also ensures timeously delivery of records to relevant recipients.

Employees: Archives Services					
JOB LEVEL	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0-3					
4-6		3	2	1	0%
7-9		3	2	1	0%
10-12	1	1	1	0	0%
13-15	1				
16-18	0				
19-20	0				
Total	2	7	5	2	0%

COMMENT ON THE PERFORMANCE OF ARCHIVES SERVICES OVERALL

An archive is responsible for centralization of municipal information. Four containers (one Elliotdale and Three in Dutywa) were bought and basement has been partitioned to store other records. Three disposal authorities have been granted to the municipality for disposal of ephemeral records which provides space for active records. Departments that received disposal authority were: Finance, Supply Chain, Expenditure and Corporate Services. The Municipality is still awaiting approval of the file plan by Provincial Archives. Records Champions were trained to use of municipal archives

3.28. PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION ON PROPERTY, LEGAL, RISK MANAGEMENT AND PROCUREMENT SERVICE

Risk Management was introduced in Mbhashe Local Municipality during the 2010/2011 financial year based on the legislative mandates and to derive the benefits that would enhance the effectiveness and efficiency of the institution in meeting its obligation as stated below. To date, a number of accomplishments have been made with regards to the institutionalizing of Risk Management practices in the Municipality to the extent that the top five risks, mentioned below, are visible.

- Inadequate service delivery in our municipality
- Inadequate financial viability
- Poor revenue collection
- Safety, health and environmental risk
- Inadequate information technological system and ineffective document management, data process and support system

Risk Management has been implemented both at operational and strategic levels in the Municipality. Operationally, each Department has a Risk Champion. Further to this and to fulfil information and Communications Technology (ICT) governance requirements an additional separate ICT Risk Register and Risk Champion exist.

Property services					
R'000					
Details	Year -1	Year 0			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	506	180.00	180.00	835.97	-131%
Expenditure:					
Employees	891	-	-	333.92	0%
Repairs and Maintenance	213	338.00	338.00	272.00	96%
Other	472	696.00	696.00	496.56	-7%
Total Operational Expenditure	576	1034.00	1034.00	1024.48	-7%
Net Operational Expenditure	71	854.00	854.00	266.51	8%
<i>Net expenditure to be consistent with summary T 5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T 3.16.5					

COMMENTS ON PERFORMANCE OF PRPROPERTY SERVICES OVERALL

Municipal properties include community facilities, social facilities, municipal properties and municipal investment properties. The municipality budgets and maintains the properties every financial year to keep them neat and usable.

Investment properties contribute on revenue collection through rentals from various leased properties.

COMPONENT J: MISCELLANEOUS

MUNICIPALITY DOES NOT HAVE AIRPORT, ABATTOIRS, MUNICIPAL COURTS AND FORESTRY.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

SECTION A1: SERVICE DELIVERY PERFORMANCE FOR 2015/16

A1.1: SUMMARY OF ANNUAL ORGANISATIONAL PERFORMANCE RESULTS

SUMMARY OF ANNUAL PERFORMANCE PER KEY PERFORMANCE AREA

KPA	TOTAL NUMBER OF KPI'S	No OF KPI's MET	No OF KPI'S NOT MET	PERFORMANCE IN PERCENTAGE
1. MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT	24	15	09	63 %
2. SERVICE DELIVERY AND INFRASTRUCTURE SERVICES	32	16	16	50 %
3. LOCAL ECONOMIC DEVELOPMENT	18	09	09	50%
4. GOOD GOVERNANCE AND PUBLIC PARTICIPATION	19	15	4	79%
5. MUNICIPAL FINANCIAL VIABILITY	10	09	01	90 %
TOTAL	103	64	39	62 %

SUMMARY OF ANNUAL PERFORMANCE PER DEPARTMENT

DEPARTMENT	TOTAL NUMBER OF KPI'S	No OF MET KPI'S	No OF NOT MET KPI'S	PERFORMANCE IN %
1. CORPORATE SERVICES	16	9	7	56 %
2. INFRASTRUCTURE	10	6	4	60 %
3. COMMUNITY SERVICES	10	6	4	60%
4. PLANNING AND DEVELOPMENT	29	15	14	52%
5. BUDGET AND TREASURY	10	08	02	80%
6. MM'S OFFICE	25	20	5	80 %
TOTAL	100	64	36	64%

A1.2: ASSESSMENT OF FY2015/16 ORGANISATIONAL PERFORMANCE

During the assessment of the performance information, the following was noted:

CHALLENGES

- It was noted that there was poor management of evidence, as portfolios of evidence were not clearly marked and did not contain full information. This has led to poor performance results in some departments
- Due to the absence of clear PMS processes in the year under review, it is not clear whether the mid-term budget adjustment was aligned to the SDBIP changes
- Procurement processes not initiated in time.
- Nature of the indicators is activity based.

REMEDIAL ACTIONS

- Indicators should look at the outcome/ impact
- Timely, proper planning and reporting
- Adherence to procurement plan and scheduled sitting of committees

- It should be noted that due the challenges listed above, the assessment of the SDBIP shows that there are 37 (thirty seven) targets which were not implemented in the year under review.

A1.3: ASSESSMENT OF CONTROLS MATRIX

The Internal Control Matrix below will be used to conclude on the adequacy and effectiveness of management controls over the existing systems and procedures. The assessment of control matrix above and the performance rating matrix have an inverse relationship.

No.	Description	Definition
1.	Adequate	The existing controls are adequate to provide reasonable assurance that the activity will achieve its performance objectives (because risks that could have a significant impact on the activity achieving its objectives are now unlikely to have a significant impact) once the controls are taken into consideration.
2.	Effective	The existing controls are effective: i.e. they provide reasonable assurance that the activity will achieve its performance objectives (because risks that could have a significant impact on the activity achieving its objectives are now unlikely to have significant impact).
3.	Inadequate	The existing controls are not adequate to provide reasonable assurance that the activity will achieve its performance objectives. (Because risks that could have a significant impact on the activity achieving its objectives are still likely to have a significant impact)
4.	Ineffective	The existing controls are not effective: i.e. they do not provide reasonable assurance that the activity will achieve its performance objectives.

1. Audit Findings:

Finding	Condition	Recommendations	Management Comments
11.1 For most of the milestone not achieved , there are no reasons for	During the review of the annual report, we noted that most of the milestone reported	Management should always reflect the reasons for variance	

deviations and remedial action plans	not achieved, there is not remedial action indicated by the management and also there are no reasons for variance. Reference should be made to SD 2.1; 2.2 , 2; 4.1; 7.4	and the remedial action plans for all those milestones not achieved. This will assist them to measure the level of success and failer as an overall performance of the institution. This will also assist in planning for the future to improve the performance	
11.2 Project names to be achieved not indicated in the report	The project planned to be achieved as indicated in the institutional SDBIP is not reflected from the report	Project names should be reflected as such in the annual report and aligned with the institutional SDBIP	
11.3 Institutional milestone not reported by the department	During our review, we established that the milestone SD2.2.1 quoted directly from the amended institutional SDBIP is not reported by the department. Milestone written as: Operations of law enforcement; GGP 4.1, No of council and its structures meeting organised	During the development of the annual performance report, management should always use the signed institutional SDBIP as a form of alignment between the two documents	
11.4 Some of the reports submitted as a port-folio of evidence either are not signed by the preparer or reviewed by the senior person	During our review, we have observed that most of the reports submitted by the departments as a proof or evidence on achievement of milestone are not signed by the preparer and also not reviewed for accuracy by the senior person. Reference could be made to the Infrastructure Maintenance Electrical Quarterly report, SD 2.5	Senior person should review the reports developed by their subordinates to confirm the quality review on the reports	
11.5 Using of abbreviations or jargons as remedial action plans is not proper	We have observed that some departments used abbreviations which are not explained as their remedial action plans. This might confuse the reader as this is a public document. Reference is	Before the department use the abbreviations, they must be explained in the index page	

	made to SD 2.6(remedial action plan is written as EIA)						
11.6 Milestone not in the institutional SDBIP but reported by the department	<p>Our review assessment established that, there were cases whereby some other department decided to report milestone that is not covered or part of the approved institutional SDBIP.</p> <p>Reference is made to SD 4.2(additional 41 KM funded by Treasury)</p>	Basis for development of the departmental report should be the approved Institutional SDBIP					
11.7 Revised targets are not the same as one in the institutional SDBIP	<p>During our review we noted that, there are cases where-by the department revised its milestone after the mid-term period but the revised target or milestone is not changed in institutional SDBIP. Reference should be made to LED 1.5</p> <table><tr><td>Department</td><td>SDBIP</td></tr><tr><td>Revised target=43 cooperatives to be assisted</td><td>40 cooperatives to be assisted still reflected as the annual target</td></tr></table>	Department	SDBIP	Revised target=43 cooperatives to be assisted	40 cooperatives to be assisted still reflected as the annual target	Institutional SDBIP should be always be reference and basis during the development of the departmental quarterly report and annual performance report.	
Department	SDBIP						
Revised target=43 cooperatives to be assisted	40 cooperatives to be assisted still reflected as the annual target						

2015/16 ANNUAL PERFORMANCE RESULTS

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT											
MTI 1.1	Corporate Services	To capacitate employees and Councilors in order to enhance service delivery by 2017	To build capacity and maximize utilization of MLM human capital by 2017.	Human Resource Development	No. of critical skilled personnel trained	40	100	MET	None	Agree with the rating	None
MTI 1.2	Corporate Services	To capacitate employees and Councilors in order to enhance service delivery by 2017	To build capacity and maximize utilization of MLM human capital by 2017.	councillor Development	Number of councilors capacitated in terms of skills	50	160	MET	None	Agree with the rating	
MTI 1.3	Corporate Services	To maintain a personnel structure that will ensure effective and efficient	Facilitate filling of prioritized funded posts	Recruitment and selection	Number of filled budgeted posts	118	120	MET	None	Agree with the rating	
	Corporate		Develop,	Policy	Number of	13	15	MET	None	Agree with	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
MTI 1.4	Services	service delivery for the next four years	review, and implement all relevant municipal policies, by-laws, strategies and plans	Development and Reviewal	developed Municipal policies					the rating	
MTI 1.5	Corporate Services			Policy Development and Reviewal	Number of reviewed Municipal policies	2	14	MET	None	Agree with the rating	
MTI 1.6	Corporate Services			Strategies developed and reviewed	Number of developed Plans and Strategies	5	2	NOT MET	Risk plan, HR Plan and revenue enhancement strategy all in draft	Agree with the rating	All to be completed in second quarter
MTI 1.7	Corporate Services			Strategies developed and reviewed	Number of reviewed plans and strategies	2	4	MET	None	Agree with the rating	None
MTI 1.8	Developmental Planning			Developed by- Laws	Number of developed By-Laws	1	10	NOT MET		Agree with the rating	
MTI 1.9	Corporate Services	To ensure a health oriented behaviour in the workplace	Promote wellness campaigns and programmes for municipal employees Promote	Employee wellness programme	Number of wellness campaigns or programmes organized	4	5	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			wellness campaigns and programmes for municipal employees								
MTI 2.1	Corporate Services		Conduct health and safety assessments	Occupational Health & Safety	Number of assessment reports presented	4	3	NOT MET		Agree with the rating	
MTI 2.2	Corporate Services				Number of OHS awareness programmes	4	2	MET	None	Agree with the rating	None
MTI 2.3	Corporate Services				Number of OHS training programmes	4	0	NOT MET	advertised 3 times, no response from service providers	Agree with the rating	to utilise NOSA
MTI 3.1	Corporate Services	To ensure the good working relations between the Employer and the Employees	Improve workplace relations through partnership with unions and Management	Labour Relations	Number of Local Labour Forum meetings held	12	10	NOT MET	Non-availability of members	Agree with the rating	pre-schedule and circulation of calendar to members

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
MTI 4.1	MM'S Office	To ensure provision of secretarial support to council and its committees	To ensure provision of secretarial support to council and its committee	Council Support	Number of council meetings	6	10	MET	None	Agree with the rating	None
MTI 4.2	MM'S Office				Number of standing committee meetings	16	27	MET	None	Agree with the rating	None
MTI 4.3	MM'S Office				Number of Audit Committee meetings	4	3	MET	None	Agree with the rating	None
MTI 4.4	MM'S Office				Number of MPAC meetings	4	2	NOT MET		Agree with the rating	
MTI 5.1	Corporate Services	To ensure maximum use of Registry in document management	To promote use of registry in document retrieval, filing and disposal	Enhancement of Document Management	Number of awareness sessions organised for users	1	2	MET	None	Agree with the rating	None
MTI 6.1	Corporate Services	To ensure effective and efficient ICT by 2017	Review of ICT master systems plan	Master Plan Development	Reviewed IT Master systems plan	1	0	NOT MET	still in draft	Agree with the rating	to be completed by end of second quarter
MTI 6.2	Corporate Services		Development of IT disaster recovery plan	IT Disaster Recovery Plan development	Developed IT Disaster recovery plan Developed IT Disaster	1	0	NOT MET	advertised 3 times, no response from	Agree with the rating	to be completed by end of second quarter

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
					recovery plan				service providers		
MTI 7.1	MM'S Office	To ensure the implementation of PMS by 2017 and improve institutional performance through skills development and change management	Reviewal of the PMS framework	Performance Evaluation and Reward	Reviewed and submitted PMS framework to council	Reviewed PMS Framework	Reviewed PMS Framework	MET	None	Agree with the rating	None
MTI 7.2	Corporate Services		Comply with the relevant PMS legislations and the Municipal PMS framework		No of awareness organised	4	0	NOT MET	lack of capacity	Agree with the rating	source external PMS support by end of quarter 2
MTI 7.3	Corporate Services	To ensure effective service delivery through implementation of performance management system	To monitor, correct and reward good performance in order to unleash human potential		% Implementation of PMS	4	Quarter 1, 2, 3 and mid year assessment report submitted to audit committee and council	MET		Agree with the rating	
MTI 7.4	MM'S Office		Development of the annual report	Development of the annual report	Developed annual report	Adopted Annual Report	Adopted Annual Report	MET		Agree with the rating	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
SERVICE DELIVERY AND INFRASTRUCTURE SERVICES											
SD 1.1	Community Services	Ensure sustainable and environmental friendly development throughout Mbashe by 2017	By providing the basic and sustainable Waste Management Services throughout Mbashe	Waste Management	No of households receiving waste removal service	5000	22199	MET		Agree with the rating	
SD 1.2	Community Services			Rehabilitation of landfill sites	No of landfill sites rehabilitated	3 Landfill sites	Adjudication	NOT MET	late advertisement	Agree with the rating	to rehabilitate dutywa, willowvale and upgrade elliotdale by end of 2nd quarter
SD 1.3	Developmental planning		Ensure sustainable and environmental friendly development throughout Mbashe by 2017	Rehabilitation of damaged land	No. of Villages covered with Rehabilitation of damaged land	5	5	MET		Disagree with the rating	
SD 1.4	Developmental planning			Tree Planting	No of villages covered with Tree Planting	4	8	MET		Disagree with the rating	
SD 1.5	Community Services			waste information data collection	no of waste information data collected	36	118	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
SD 1.6	Community Services	Ensure the safety and security of the Mphashe community by 2017		waste collection (rural)	no of waste collection points (rural)	300	129	NOT MET	Mis-calculation	Agree with the rating	Target to be verified
SD 1.7	Community Services			installation of waste storage facilities	No of waste storage facilities installed	100	procurement at adjudication stage	NOT MET	adjudication stage	Agree with the rating	to be achieved in 1st quarter
SD 2.1	Community Services		By providing law enforcement and licensing services throughout Mphashe	Upgrade Dutywa Registering Authority (R.A)	Dutywa Registering Authority (R.A)	Establish Registering Authority	Establish Registering Authority	MET	None	Agree with the rating	None
SD 2.2	Community Services			Upgrade of Dutywa Driver Licence Test Centre (DLTC)	Dutywa Driver Licence Test Centre	Dutywa DLTC	Dutywa DLTC	MET	None	Agree with the rating	None
SD 2.3	Community Services		By creating a conducive environment for the community safety and security	Implementation of Community Safety Plan	No of programmes implemented	4	4	MET		Agree with the rating	
SD 2.4	Community Services		Implement Disaster Management Plan (DMP)	Disaster Mitigation	No of Awareness programmes implemented	4 steering committee meetings	4 steering committee meetings	MET	None	Agree with the rating	None
SD 2.5	Infrastructure		To maintain	Streetlight	No. of	550	627	MET	None	Agree with	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
	e		street lights in three towns	Maintenance	adequate street lights					the rating	
SD 2.6	Infrastructure		To install high masts in all priority areas	High masts	No of high mast lights on construction	appointment of service providers	bid evaluation stage	NOT MET	EIA	Agree with the rating	modify and re-installation
SD 3.1	Infrastructure	Ensure improved access to the well managed community facilities by 2020	By constructing new community facilities that will be user friendly to the communities	Construction of 9 Community Halls	No. of community halls completed	9	6	NOT MET	ESKOM lines were in the position of where the hall was to be constructed	Agree with the rating	to be completed by end of first quarter
SD 3.2	Infrastructure			3 Sport Facilities (Planning & Designs)	No of sports fields	3 planning and design	3 planning and design	MET	None	Agree with the rating	None
SD 3.3	Infrastructure			Fencing of Cemeteries	No of cemeteries on construction	3 appointment , site establishment and progress	3 appointment , site establishment and progress	MET	None	Agree with the rating	None
SD 3.4	Community Services			supporting ECDCs	No of ECDCs supported	30 ECDCs supported	delivery note	NOT MET		Agree with the rating	
SD 3.5	Community Services		By maintaining	Maintenance of	No of community	10	10	MET		Agree with the rating	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			the existing facilities to acceptable standards	community Halls	halls maintained						
SD 4.1	Infrastructure	To provide quality, safe, trafficable Municipal roads as per applicable standards by 2017	Construct 250km of new gravel road	Construction of New Gravel Roads	No. of kilometers of road constructed	60km	32km	NOT MET	10kms completed in July and Do not have practical completion	Agree with the rating	
SD 4.2	Infrastructure		Maintenance of 545km of existing gravel road network	Routine Maintenance	No. of kms of roads maintained	300km	691km. Additional 41km Funded by Provincial Treasury grant In-kind	MET	None	Agree with the rating	None
SD 4.3	Infrastructure		By paving internal streets sidewalks in all three towns	Paving of Side walk	No. of kms paved sidewalks No. of kms paved side walks	5km	900m	NOT MET	delayed implementation of incubation policy	Agree with the rating	to be done by infrastructure roads section
SD 4.4	Infrastructure		By upgrading stormwater channel in urban areas	Upgrading of stormwater channels	No. of kms to be upgraded	15km	0km	NOT MET	solely depending on completion of	Agree with the rating	to be done by infrastructure roads section.

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
									paving		Appointment to be done by end of 2nd quarter
SD 5.1	Infrastructure	Ensure all households have access to electricity by 2025	By providing grid energy to households	Shixini and Ntsimabakzi Electrification Project	Number of household with electricity	1400	1424	MET		Agree with the rating	
SD 6.1	Developmental Planning	To facilitate provision of adequate housing and expanding access to housing by 2030	Reduce the number of people living in squatter settlements	Removal of Informal settlements	No of informal settlements removed	200	0	NOT MET	land claims	Agree with the rating	resolution of the claim and the municipality does not have control over the process
SD 6.2	Developmental Planning		Establish new townships for housing accommodation	Township Establishment	No. of townships approved	3	3	MET	None	Agree with the rating	None
SD 6.3	Developmental Planning		By providing suitable and secure	Approval of building plans	Time taken to approve Building Plans	1 month	15 building plans were approved within 1	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			housing whilst controlling and ensuring compliance with building regulations.				month				
SD 7.1	Developmental Planning	Ensure maximum and adequate land use management practices within municipal land by 2017	Develop LSDF for the rural in line with SPLUMA	LSDF	number of LSDF approved	1	2	MET	None	Agree with the rating	None
SD 7.2	Developmental Planning		Number of surveys and rezoning reports approved	Planning and Survey	number of subdivision reports approved	20	20	MET		Agree with the rating	
SD 7.3	Developmental Planning		By conducting municipal land audit	Land Audit	3	3	3	MET	None	Agree with the rating	None
SD 7.4	Developmental Planning		By enforcing land use management of the municipality	Land Use Management	Land use applications approved.	20	31	NOT MET		Agree with the rating	
SD 7.5	Developmental Planning		By ensuring	Disposal of	Number of	100	0	NOT	general	Agree with	revalidation

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
	Developmental Planning		equitable disposal of land	municipal land	land sale agreements issued			MET	plan expired	Agree with the rating	Review of general plan by end of 2016/17 financial year
LED 1.1	Developmental Planning	To reduce poverty and unemployment through viable and sustainable job creation strategies	By facilitating multiplier effects from EPWP projects	EPWP Projects	Number of people employed through EPWP	2000	695	NOT MET		Agree with the rating	
LED 1.2	Developmental Planning		By formulating strategies that promote investment and economic growth	Economic Summit Retention strategy	approval of concept document for summit	approval of concept document for summit	concept document approved by the council	MET	None	Agree with the rating	None
LED 1.3	Developmental Planning		By promoting entrepreneurial access to markets	Manufacturing SMME Assistance	3	3	4	NOT MET		Agree with the rating	
LED 1.4	Developmental Planning		By capacitating and assisting	Hawker Development	Number of informal traders assisted	600	600	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			informal traders								
LED 1.5	Developmental Planning		SMME skills development; Co-operatives development and training	Co-operatives assistance	Number of co-operatives assisted	40	43	MET	None	Agree with the rating	None
LED 2.1	Developmental Planning	To promote agrarian reform and reduce food insecurity to those confronted by hunger by 50% by end of 2025	Assisting crop production farmers with materials and inputs	Seedlings and fruit trees	Number of commodity groups assisted	2 commodity groups	PSP appointed for citrus	NOT MET	delays on delivery by PSP	Agree with the rating	to be assisted by end of quarter 2
LED 2.2	Developmental Planning			maize production	No. of villages assisted	40	40	MET		Disagree with the rating	
LED 2.3	Developmental Planning		By providing support for people interested in farming through small scale agricultural activities and linking small farm produce to markets /	Agricultural related projects	Number of farming projects assisted with equipment and/or inputs	15	17	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			communities								
LED 2.4	Developmental Planning		By improving quality of the livestock through various mechanisms	Dipping tanks	Number of dipping tanks renovated	5	6	MET	None	Agree with the rating	None
LED 2.5	Developmental Planning			Shearing sheds	Number of shearing sheds built or renovated	5	5	NOT MET		Agree with the rating	
LED 2.6	Developmental Planning			Stock remedy	Number of village farming associations assisted with stock remedy	20	31	MET	None	Agree with the rating	None
LED 3.1	Developmental Planning	To take advantage of the agricultural value chain to stimulate local economic development in deprived areas by 2017	By setting up sustainable local supply network through small farmers in local areas;	AmaJingqi Macademia	Number of programmes implemented	3 programmes	3 programmes	NOT MET		Agree with the rating	
LED 3.2	Developmental Planning		By capacitating farmers to meet quality and safety requirement	Information days	Number of information days held	16	16	MET		Agree with the rating	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			s								
LED 3.3	Developmental Planning		By consolidating and enhancing partnerships with retailers which provide opportunities for small farmers	Sorghum - Nondobo Co-operative	Number of machinery supplied	1	procurement stage	NOT MET		Agree with the rating	
LED 4.1	Developmental Planning	To position and promote Mbashe as a tourist destination of choice	Train and develop product owners and expand product owner base	Product owners training and development	Number of training programs held	4	4	MET	None	Agree with the rating	None
LED 4.2	Developmental Planning		Promote and link product owners to markets	External tourism marketing events	Number of external programs the product owners participated on	3	3	MET	None	Agree with the rating	None
LED 4.3	Developmental Planning		Use different marketing tools to	Internal events and brochure development	Number of tools used	5	5	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			market Mbhashe tourism	nt							
LED 5.1	Developmental Planning	Develop, preserve, maintain and market heritage sites/resources to attract a sizeable number of tourists	By maintaining heritage sites using EPWP programme	Maintaining King Hintsa, Sarhili, Caves, Fort Malan Memorial, Maqhekeza Resource Centre	Number of sites maintained	5	5	NOT MET		Agree with the rating	
MUNICIPAL FINANCIAL VIABILITY											
MFV 2.1	BTO	To increase revenue collection by 50% in June 2017	Implementation of credit control and debt collection policy	Debt Collection	Amount collected on all outstanding debts	R4m	R5.7 M	MET			
MFV 1.1	BTO		Reviewed and updated indigent register	Indigent register	Target removed	Target removed	Target removed	Target removed	Target removed	Target removed	Target removed
MFV 2.1	BTO		Amount collected on all outstanding	Debt collection	Amount collected on all outstanding	4M	5.7M	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			bills		debts						
MFV 2.2	BTO		Ensure data integrity in the billing system	Data Cleansing and Accuracy	Ratio of billing versus collection	80%	172%	MET	None	Agree with the rating	None
MFV 3.1	BTO	To establish a fully-fledged and effective supply chain management by 2016	Development and operationalization of SCM Plans	Development of Procurement Plans	Development of institutional Procurement plan	Developed Procurement plans for 2016	procurement plan in place	MET	None	Agree with the rating	None
MFV 3.2	BTO		Promotion and maintenance of SCM systems through compliance with laws and regulation	Full Implementation of SCM system	Amount in irregular expenditure	Incur no new irregular expenditure	0	MET	None	Agree with the rating	None
MFV 3.3	BTO		Each Head of Department to be responsible for their own contract management	Contract Management	Number of compliant contracts	Annual Contract Register	Annual Contract Register in place	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
MFV 4.1	BTO	To ensure sound financial management, compliance and regular reporting at all times	Implementing effective internal controls and monitoring compliance	Financial Support	Timely submission of compliance reports to Council, Treasury and Auditor General.	Compliance reports as per MFMA Calendar	Compliance reports as per MFMA Calendar	MET	None	Agree with the rating	None
MFV 4.2	BTO	To ensure that municipal assets are adequately managed and monitored	Establishment of a fully-fledged asset management unit	GRAP Compliant Asset Register	GRAP compliant immovable and movable asset register	Updated GRAP compliant Asset Register	report on GRAP compliant Asset Register	MET		Agree with the rating	
MFV 5.1	BTO	To ensure that the budget is aligned to the IDP	Develop credible budget that is aligned to IDP	Budget Planning	Timeous approval and submission to Treasury of 16/17 budget	Review 2015/16 IDP and 2015/18 Medium Term Revenue Expenditure Framework by June 2016	proof of submission in place	MET	None	Agree with the rating	None
MFV 5.2	BTO	To ensure that our budget is transparent and properly monitored	Abiding to the IDP & Budget process plan and effective publishing	Budget Assessment	Positive assessment by Treasury	Review 2015/16 IDP and 2015/18 Medium Term Revenue Expenditure Framework by	council resolution	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			of our budget			June 2016					
GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
GGP 1.1	MMs Office	To ensure clean and accountable governance in the municipality	Development of risk management strategy	Risk Management Strategy	Developed risk management strategy	Developed and adopted risk management strategy	Framework and plan in place	MET	None	Agree with the rating	None
GGP 1.2	MMs Office		Implementation of departmental risk register	Risk Assessment	No of risks mitigated	10 Mitigated risks	12 identified risks	MET	None	Agree with the rating	None
GGP 1.3	MMs Office		Conduct audits as per Internal Audit Strategic Plan	Co-sourcing of Internal Audit	No of Audits conducted	12	12	MET	None	Agree with the rating	None
GGP 1.4	MMs Office		Ensuring that the internal Audit comply with the International Professional Practise standards	Reviewal of Internal Audit documents	No of Documents reviewed	4 Documents	4 Documents	MET	None	Agree with the rating	None
GGP 2.1	MMs Office	To ensure	Implementa	Programme	Number of	All	All	MET	None	Agree with	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
		mainstreaming of special programs into the municipality	tion of special programs as per approved SPU strategy	s for Women, Youth, Military Veterans, children, disabled , HIV & AIDS and Older persons	SPU related programmes Implemented	programmes in the SPU strategy	programme s in the SPU strategy			the rating	
GGP 2.2	MMs Office		Reviewing of SPU Strategy	Review and Mainstream of SPU Strategy	Reviewed SPU strategy	1	1	MET	None	Agree with the rating	None
GGP 3.1	MMs Office	To ensure strategic development, coordinated, integrated planning, budgeting, reporting and legislative compliance on governance matters	Coordinate development and alignment of the IDP, SDBIP and Budget integratio	Developme nt of IDP, SDBIP and Budget integration	Developed IDP,SDBIP and Budget	adopted reviewed IDP	IDP Reviewed as per council resolution dated 25/05/2016	MET	None	Agree with the rating	None
GGP 4.1	MMs Office	To ensure optimum functionality of council and its structures	Coordinate functioning of council oversight structures	Provision of support to council to council structures	No of council and its structures meeting	24	Not reported	NOT MET	Not reported	Not reported	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
GGP 4.1	MMs Office	To ensure optimum functionality of council and its structures	Co-ordinate functioning of council oversight structures	Provision of support to Council Structures	Developed resolution register	Resolution Register	Resolution Register in place	MET	None	Agree with the rating	None
GGP 5.1	MMs Office	To enhance and promote communication in all municipal activities	Reviewal and implementation of communication strategy.	Communication Strategy	Reviewed communication strategy	adopted reviewed communication strategy	communication strategy reviewed as per the council resolution dated 22/06/2016	MET	None	Agree with the rating	None
GGP 5.2	MMs Office		Development and implementation of customer care policy	Customer Queries Register	No of customer queries registered and attended to	Updated Customer Queries Register	Updated until March 2016			Disagree with the rating	
GGP 5.3	MMs Office		To improve branding and signage of municipal properties assets.	Branding	No of assets and municipal properties branded	5	appointed service only did banners	NOT MET	lack of capacity by the appointed service provider	Agree with the rating	to advertise for the appointment of new service provider
GGP 5.4	MMs Office		To inform and share developmental	Development of Newsletters	no of newsletters published	2 newsletter published	2 newsletter published	MET	None	Agree with the rating	None

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			programs within the municipality								
GGP 5.5	MMs Office		To facilitate adverts and notices in electronic and print media to promote transparency	Issue Adverts & notices in electronic & print media	Published adverts and notices	17	17	MET	None	Agree with the rating	None
GGP 6.1	MMs Office	To ensure that all stakeholders participate in the affairs of the municipality	Review and implement public participation and petition strategy	Public Participation and Petition Strategy Implementation	Reviewed public participation strategy	1	1	MET	None	Agree with the rating	None
GGP 6.2	MMs Office		Improve the functioning and reporting of ward committees	Engagement meetings	No of reports submitted	124	124	MET	None	Agree with the rating	None
GGP 6.3	MMs Office		Strengthen the relations between CDW's, ward	Engagement meetings	No of meetings held	4	3	NOT MET		Agree with the rating	

Indicator No.	Department	Strategic Objective	Strategy	Project	Indicator (Input, Output, Outcome)	Annual Target	Actual Performance Score	MET/ NOT MET	Reasons for deviation	Audit Verification	Remedial Action
			committees and Councillors								
GGP 6.4	MMs Office	To ensure coordination , cooperation and joint planning between spheres of government by 2017	Revive and strengthen IGR structures within the municipality .	IGR Forum	No of IGR meetings held	4 IGR Meetings	4 IGR Meetings	MET	None	Agree with the rating	None
GGP 6.5	MMs Office		Regular communication with communities on the achievements of targets set out in IDP	Community Imbizos	No of community imbizo's held	31	31	MET	None	Agree with the rating	None

OVERALL INTERNAL AUDIT COMMENTS/RECOMMENDATIONS:

Quoting the legislation on performance information, this annual performance report should comply with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

(1) A municipality must prepare for each financial year a performance report reflecting—

(a) The performance of the Municipality;

(b) Comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and

(c) Measures taken to improve performance.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that “A Municipality’s Performance Management System entails a framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players.” Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation. There should be a linkage between the IDP, Budget, SDBIP and individual.

Aligning our comments to the above paragraphs, we recommend that, monitoring, review and reporting of the performance on a periodically basis should be exercised. Management should always develop remedial action plans for every non achieved milestone.

Managing performance and reporting results is a necessary and important requirement as it enables municipal councils to track the organisations’ performance and hold the organisation accountable. Available PMS of the municipality should be reviewed on an annually basis so as to see whether the strategies covered by the current PMS are still relevant to the municipality

Overall performance of the municipality in terms of the annual stand at 62% of which the minimum and allowed percentage on performance should be at-least 80%.



SECTION 2: PERFORMANCE OF SERVICE PROVIDERS DURING THE 2015/16 FINANCIAL YEAR

INTRODUCTION

Municipalities are required to assess the performance of service providers appointed in each financial year. In this regard, an internal performance assessment was conducted by Section 56 managers on various projects targeted for FY2015/16. Service Providers and Contractors are rated on the following categories:

Below Standard - The Contractor/Service Provider did not meet the basic requirements as spelt out in the tender or contract. This may result in the contract being cancelled and/or the retention fee being withheld from the contractor. The Contractor may be asked to rectify the problem or the contract may be cancelled and another Contractor/Service Provider may be appointed to complete the contract/ project.

Acceptable performance - The Contractor/Service Provider completed the project and met the basic requirements of the tender/contract. The standard of work was good enough, passable or adequate in terms of the requirements by the MLM.

Excellent performance- The Contractor/Service Provider completed the work above the standard required. The requirements of the tender were achieved above the expectation of the MLM. There is a high quality of work and outstanding results were achieved.

ANALYSIS OF THE SUPPLY CHAIN MANAGEMENT BID PROCESS WITHIN MLM

Number of Bids on Contract Register	Number of Awards made	Number of completed projects	Number of Bids in Tendering Process	Number of projects still in progress	Cancelled Projects
109	102	63	16	39	4

The purpose of this analysis is to determine the percentage of bids awarded as at the end financial year. This assessment is used to measure the effectiveness of the MLM's Supply Chain processes.

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Results of performance assessment of service providers

Extensive performance assessment of the service providers have not been performed in the 2015/16 financial year, this was as a result of capacity constraints within the SCM Unit caused by the shortages of staff.

A high level overview of our suppliers indicates that the performance is generally moderate as some contracts are completed timeously and in some delays are experienced.

As a result of this we couldn't be able to report this performance as per the categories below.

Below Standard – % N/A

Of all the projects awarded, as at **30 June 2016** in terms of performance levels the following summary reflects the number of projects rated as below standard.

Acceptable performance – % N/A

Of all the projects awarded as at **30 June 2016** in terms of performance levels the following summary reflects the number of projects rated as acceptable.

Excellent performance – % N/A

Of all the projects awarded, as at **30 June 2016** in terms of performance levels the following summary reflects the number of projects rated as excellent.

A copy of the Contract Register for the 2015/16 financial year is attached hereto as **Annexure “A”**

A copy of the Contract Register for the 2015/16 financial year is attached hereto as **Annexure “A”**

AWARD DATE	ORDER NO	BUDGETED AMOUNT	AMOUNT COMMITTED	EXPENDITURE TO DATE	SKIP BALANCE	COMMENT COLUMN	SCANNED(YES/NO)
03-Jul-15	1009231	R 23 350 000.00	R 105 950 305.30	R 23 772 512.31	R 82 177 792.99	FOR A PERIOD OF 03 YEARS	
19-Aug-15	1009223	R 2 657 798.42	R 3 572 491.76	R 395 495.31	R 3 176 996.45	N/A	
19-Aug-15	1009215	R 2 062 196.75	R 1 941 692.50	R 213 742.00	R 1 727 950.50	N/A	
19-Aug-15	1009213	R 3 658 461.07	R 3 095 465.02	R 718 911.79	R 2 376 553.23	N/A	
19-Aug-15	1009216	R500 000.00	R 205 000.00	R 205 000.00	R 0.00	N/A	
19-Aug-15	1009224	R 2 100 000.00	R 247 345.09	R 247 345.09	R 0.00	N/A	
19-Aug-15	1009222	R 1 850 000.00	R 594 000.00	R 594 000.00	R 0.00	N/A	
19-Aug-15	1009217	R 500 000.00	R 592 480.00	R 0.00	R 592 480.00	N/A	
19-Aug-15	1009233	R 1 000 000.00	R 216 377.70	R 0.00	R 216 377.70	FOR A PERIOD OF 02 YEARS	
19-Aug-15	1009232	R 1 000 000.00	R 1 188 298.92	R 0.00	R 1 188 298.92	FOR A PERIOD OF 03 YEARS	
07-Sep-15	1009395	R 500 000.00	R 630 170.23	R 0.00	R 630 170.23	CONTRACT WAS CANCELLED	
07-Sep-15	1009304	R 1 500 000.00	R 1 009 107.42	R 0.00	R 1 009 107.42	N/A	
13-Oct-15	pending	R 4 539 989.08	R 8 587 360.80	R 0.00	R 8 587 360.80	N/A	

14-Dec-15	pending	R 300 000.00	R 80 819.50	R 0.00	R 80 819.50	CONTRACT WAS CANCELLED	
11-Jan-16	pending	As per proposal submitted	As per proposal submitted	R 0.00	#VALUE!	2 YEARS	
11-Jan-16	pending	R 5 651 914.18	R 5 651 914.18	R 0.00	R 5 651 914.18	N/A	
01-Feb-16	pending	R 729 315.03	R 729 315.03	R 0.00	R 729 315.03	PRICING IS ANNUAL BASED ON ASSET BASE	
01-Feb-16	pending	R 393 960.00	R 393 960.00	R 0.00	R 393 960.00	N/A	
01-Feb-16	pending	R 223 282.28	R 223 282.28	R 0.00	R 223 282.28	N/A	
17-Feb-16	pending	R 0.00	R 0.00	R 0.00	R 0.00	N/A	
18-Feb-16	pending	R 1 000 000.00	R 1 000 000.00	R 0.00	R 1 000 000.00	2 YEARS	
24-Feb-16	pending	R 1 283 745.34	R 1 283 745.34	R 0.00	R 1 283 745.34	N/A	
18-Feb-16	pending	R 2 405 068.49	R 2 405 068.49	R 0.00	R 2 405 068.49	N/A	
18-Feb-16	pending	R 2 214 562.86	R 2 214 562.86	R 0.00	R 2 214 562.86	N/A	
18-Feb-16	pending	R 1 591 155.00	R 1 591 155.00	R 0.00	R 1 591 155.00	N/A	
18-Feb-16	pending	R 4 616.43	R 4 616.43	R 0.00	R 4 616.43	N/A	
19-Feb-16	pending	R 5 857 005.13	R 5 857 005.13	R 0.00	R 5 857 005.13	N/A	

23-Feb-16	pending	R 4 285 121.50	R 4 285 121.50	R 0.00	R 4 285 121.50	N/A	
23-Feb-16	pending	R 0.00	R 0.00	R 0.00	R 0.00	2 YEARS	
23-Feb-16	pending	R 449 198.80	R 449 198.80	R 0.00	R 449 198.80	N/A	
24-Feb-16	pending	R 8 933 319.73	R 8 933 319.73	R 0.00	R 8 933 319.73	N/A	
25-Feb-16	pending	R 300 000.00	R 299 062.20	R 0.00	R 300 000.00	N/A	
25-Feb-16	pending	R 756 390.00	R 756 390.00	R 0.00	R 756 390.00	N/A	
20-Jun-16	pending	R 1 500 000.00	R 1 557 445.00	R 0.00	R 1 500 000.00	N/A	
20-Jun-16	pending	PERCENTAGE FEE	15%	R 0.00		N/A	

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

(PERFORMANCE REPORT PART II)

INTRODUCTION

The organizational Development is a key transformation agent dealing with the structure of the Municipality to ensure that it remains aligned to its strategy, job evaluation process and change management philosophy. Organizational Development as a function is placed under Corporate Services Department

COMPONENT A: INTRODUCTION TO MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

TOTALS, TURNOVER AND VACANCIES

Description	Employees				
	Year -1	Year 0			
	Employees No.	Approved Posts No.	Employees No.	Vacancies No.	Vacancies %
Electricity	1	3	1	2	33%
Solid Waste Management	45	60	25	35	73%
Housing	1	5	5	0	0%
Roads and Storm Water	8	44	38	6	14%
Local Economic Development	3	8	8	0	0%
Planning (Strategic & Regulatory)	6	1	1	0	0%
Waste Disposal	18	55	45	10	21%
Police	0	35	28	7	20%
Financial Services	19	22	20	2	0.09%
Human Resource Services	61	23	22	1	0.05%
ICT Services	1	3	3	0	0%
Archives		7	7	0	0%
Other services		30	26	4	17%
Totals	208	325	226	98	41%

Vacancy Rate: Year 0			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	5	0	0%
Traffic and Law Enforcement officers	35	3	9%
Fire fighters	0	0	
Middle management: Levels 13-15 (excluding Finance Posts)	9	1	12%
Middle management: Levels 13-15 (Finance posts)	1	1	100%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	29	1	0.4%
Highly skilled supervision: levels 9-12 (Finance posts)	6	0	0%
Total	87	10	12%

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
Year -2	14	2	15%
Year -1	11	2	19%
Year 0	117	2	2%

COMMENT ON VACANCIES AND TURNOVER OVERALL

Mbhashe Local Municipality has managed to fast track the process of recruitment. Hundred and twenty (120) vacancies has been filled during 2014/15 financial year. The turnover that we experience is due to the following: death of staff members, two resignations, one retirement, There were no employees dismissed by the municipality

4.2.1 POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Recruitment and Selection Policy	100%	100%	27/05/2015
2	Subsistence and travelling Policy	100%	100%	27/05/2015
3	Vehicle Usage Policy	100%	100%	29/05/2013
4	Study Assistance Policy	100%	100%	29/05/2015
5	Career Path and Succession Planning Policy	100%	100%	15/12/2013
6	Employment Equity Plan	100%	100%	29/05/2013
7	Employment Equity Policy	100%	100%	29/05/2013
8	Acting Allowance Policy	100%	100%	29/05/2013
9	Transfer and Demotion Policy	100%	100%	29/05/2013
10	Training and Development Policy	100%	100%	29/05/2013
11	Leave Policy	100%	100%	29/05/2013
12	Internship Policy	100%	100%	27/05/2015
13	Overtime Policy	100%	100%	27/05/2015
14	Cellphone Policy	100%		08/2016
15	Internship Stipend Policy	100%		08/2016
16	Sexual Harassment Policy	100%		25/05/2016
17	Bereavement Policy	100%		25/05/2016
18	Workplace HIV/AIDS Policy	100%		25/05/2016
19	Councillors & Employee Assistant Policy	100%		25/05/2016
20	Municipal Facilities Policy	100%		25/05/2016
21	Whistle Blowing Policy	100%		25/05/2016
22	Bursary for Non – employees	100%		29/06/2016

	Policy			
23	Public Holidays & Week-end Policy	100%		29/06/2016
24	Disability Policy	100%		25/06/2016
25	Abscondment Policy	100%		29/06/2016
26	Incapacity Policy	100%		29/06/2016
27	OHS Policy	100%		29/06/2016
27	Fleet Management Policy (Reviewed)		100%	29/06/2016

COMMENT ON WORK FORCE POLICY DEVELOPMENT

During the period under review, fourteen (14) policies have been developed. This was done through a transparent and consultative process, involving labour in the Local Labour Forum. The reviewed and newly developed policies went to council for adoption before implementation..

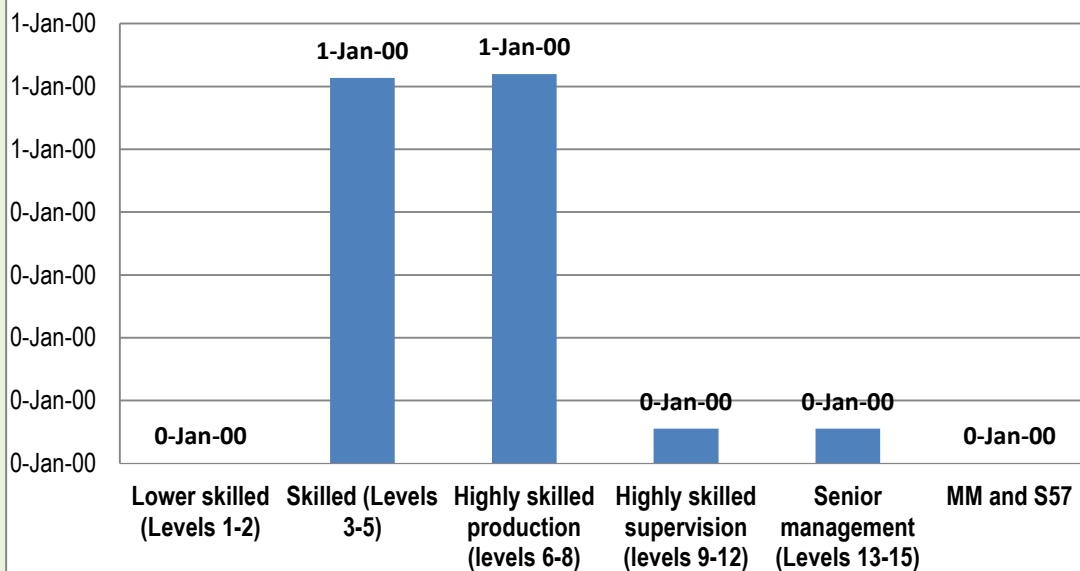
4.3 INJURIES, SICKNESS AND SUSPENSIONS

NO CASES WERE REPORTED IN THE YEAR UNDER REVIEW

Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-;2)						
Skilled (Levels 3-5)	242	0%	26	87	1.23	
Highly skilled production (levels 6-8)	198	0%	30	65	1.24	
Highly skilled supervision (levels 9-12)	257	0%	22	48	1.50	
Senior management (Levels 13-15)	34	0%	6	13	0.28	
MM and S57	1	0%	1	7	0.00	
Total	438	0%	107	220	4.25	0

COMMENT ON INJURY AND SICK LEAVE

There were no reported injuries in the workplace. OHS committee is in place. The municipality managed to register for COIDA. Few employees who sustained minor injuries were taken to doctors...

Average Number of Days Sick Leave (excluding IOD)

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
NONE				

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised

Only three disciplinary action taken during 2015/16 financial year against employees, with lighter sanctions. One employee resigned before the verdict was issued.

4.4 PERFORMANCE REWARDS

Mbhashe LM did not implement performance rewards.

COMPONENT C: CAPACITATING THE MUNICIPAL WORK FORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

One of the key programmes was the implementation of the Human Resources Development Plan wherein employees and previously disadvantaged persons were trained on acquire skills. A Workplace Skills Plan was developed and submitted to the Local Government SETA. Capacity building programmes were implemented in the year for both officials and councilors including ward committees. Unemployed graduates were taken in as Learners in departments to assist them with workplace exposure. In line with the Council's Bursary scheme, a considerable number of employees were offered bursaries to further enhance themselves.

4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 0	Number of skilled employees required and actual as at 30 June Year 0											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual : End of Year - 1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target	Actual: End of Year -1	Actual: End of Year 0	Year 0 Target
MM and s57	Female	1								1				
	Male	4								5				
Councillors,	Female	24		2		3		15			7	3		5
	Male	49		7		3		23			16	3		5
Managers	Female	2								2				
	Male	10		7			3							
Technicians and associate professionals*	Female	3					3							4
	Male	11				1	5			6		1		4
Professionals	Female	13		1		4	8			4		4		5
	Male	13		1		4	7			5		4		5
Sub total	Female	43				7						7		14
	Male	87				8								14
Total		130	0	18	0	30	26	0	0	23	0	22	0	56

Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
<i>Accounting officer</i>	1	0	1	0	1	1
<i>Chief financial officer</i>	1	0	1	0	1	1
<i>Senior managers</i>	6	0	5	0	5	5
<i>Any other financial officials</i>	8	0	8	0	0	5
Supply Chain Management Officials	4	0	4	0	0	4
<i>Heads of supply chain management units</i>	0	0	0	0	0	0
<i>Supply chain management senior managers</i>	1	0	0	0	0	0
TOTAL	21	0	21	0	7	16

COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS

Though the municipality managed to spend its budget on training, it didn't have a big budget for skills development and training. This was primarily because it did not apply for access to other sources of funding from other government agencies like the LGSETA and government departments except for Treasury. We didn't train enough staff members as per the WSP. The municipality managed to train or registered for training all its finance officials as required by Treasury. All its senior managers have acquired the minimum competencies and the other one is now registered and undergoing the training through the University of Fort Hare.

COMPONENT D: MANAGING WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

The municipality has ensured that the workforce expenditure is kept within the accepted proportions in relation to capital expenditure. Grants meant for service delivery are not used for operational expenditure.

4.6 EMPLOYEE EXPENDITURE

WORKFORCE EXPENDITURE TRENDS (R. 000)

Financial year	Amount
Year 0	R801 972.00
Year -1	R56,989,063.95
Year -2	R54,939,969.65
Year -3	R54,181,071.50

NUMBER OF EMPLOYEES WHOSE SALARIES WERE INCREASED DUE TO THE POSITIONS BEING UPGRADED

No employees whose salary levels were increased due to their positions being upgraded

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
General Assistant	9	Task Grade 3	80528	Long service
Public Ablution	2	Task Grade 3	80528	Long service
Messengers and Tea Makers	6	Task Grade 3	140293	Long service
Traffics and Law Enforcement Officers	15	Task Grade 7	157959	New employees
Officers	7	Task Grade 12	247877	Job evaluation results
Drivers	2	Task Grade 7	157959	

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The annual financial statements have been prepared on the accrual basis of accounting and in accordance with historical cost convention, unless otherwise specified. The annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with

Section 122(3) of the Municipal Finance Management Act, (Act No. 56 of 2003). The principle accounting policies adopted in the preparation of the annual financial statements are set out in the annual financial statements contained in this document. The financial statements have been prepared based on the accounting policies that the municipality deems to be appropriate for the activities of the municipality and have been applied consistently in all respects from the previous financial years

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
R' 000						
Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	6 868	5 957	6 957	6 759	-13%	3%
Service charges	1 024	808	808	220	73%	73%
Investment revenue	9 068	6 000	10 479	9 229	-54%	12%
Transfers recognised - operational	169 880	227 875	216 828	201 849	11%	7%
Other own revenue	3 189	58 002	66 986	33 805	42%	50%
Total Revenue (excluding capital transfers and contributions)	190 029	298 642	302 058	251 862	16%	17%
Employee costs	43 331	79 851	79 851	65 802	18%	18%
Remuneration of councillors	21 815	25 592	25 592	23 430	8%	8%
Depreciation & asset impairment	59 263	39 210	39 210	–	100%	100%
Finance charges	3 836	–	–	0	%	%
Materials and bulk purchases	–	–	–	–	%	%
Transfers and grants	–	–	–	–	%	%
Other expenditure	76 065	121 323	125 521	107 968	11%	14%
Total Expenditure	204 310	265 976	270 173	197 201	26%	27%
Surplus/(Deficit)					%	%
Transfers recognised - capital	50 640	73 122	73 122	73 122	0%	0%
Contributions recognised - capital & contributed assets	–	–	–	–	%	%
Surplus/(Deficit) after capital transfers & contributions					%	%
Share of surplus/ (deficit) of associate	–	–	–	–	%	%
Surplus/(Deficit) for the year					%	%
Capital expenditure & funds sources						
Capital expenditure					%	%
Transfers recognised - capital	85 658	141 810	143 922	160 737	-13%	-12%
Public contributions & donations	–	–	–	–	%	%
Borrowing	–	–	–	–	%	%
Internally generated funds	–	–	–	–	%	%
Total sources of capital funds					%	%

COMMENT ON FINANCIAL PERFORMANCE:

The municipality recorded under spending due to amongst thing, delays in SCM processes, slow recruitment processes on filling of posts, poor spending patterns on internally funded projects.

5.2 GRANTS

Grant Performance							R' 000
Description	Year -1	Year 0			Year 0 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)	
Operating Transfers and Grants							
National Government:	166 402 000.00	227 574 981.00	216 527 981.00	200 548 981.00	12%	7%	
Equitable share	162 715 000.00	220 782 000.00	209 735 000.00	193 756 000.00	12%	8%	
Municipal Systems Improvement	934 000.00	930 000.00	930 000.00	930 000.00	0%	0%	
	-	3 210 981.00	3 210 981.00	3 210 981.00	0%	0%	Municipal Infrastructure Grant (PMU)
	1 153 000.00	1 052 000.00	1 052 000.00	1 052 000.00	0%	0%	EPWP
Department of Water Affairs	-	-	-	-			
Levy replacement	-	-	-	-			
Other transfers/grants [FMG]	1 600 000.00	1 600 000.00	1 600 000.00	1 600 000.00	0%	0%	
Provincial Government:	478 286.00	300 000.00	300 000.00	1 300 000.00	-333%	-333%	
Health subsidy							
Housing							
Ambulance subsidy							
Sports and Recreation							
	300 000.00	300 000.00	300 000.00	300 000.00	0%	0%	Library Grant
	178 286.00	-		-	0%	0%	LG Seta
				1 000 000.00	0	0%	IEC Grant
Other transfers/grants [FMG]	-		-	-			
District Municipality:	-	-	-	-			
<i>[insert description]</i>							
Other grant providers:	-	-	-	-			
<i>[EPWP]</i>							
<i>Local government grant</i>							
Total Operating Transfers and Grants	166 880 286.00	227 874 981.00	216 827 981.00	201 848 981.00	11%	7%	

5.3 ASSET MANAGEMENT

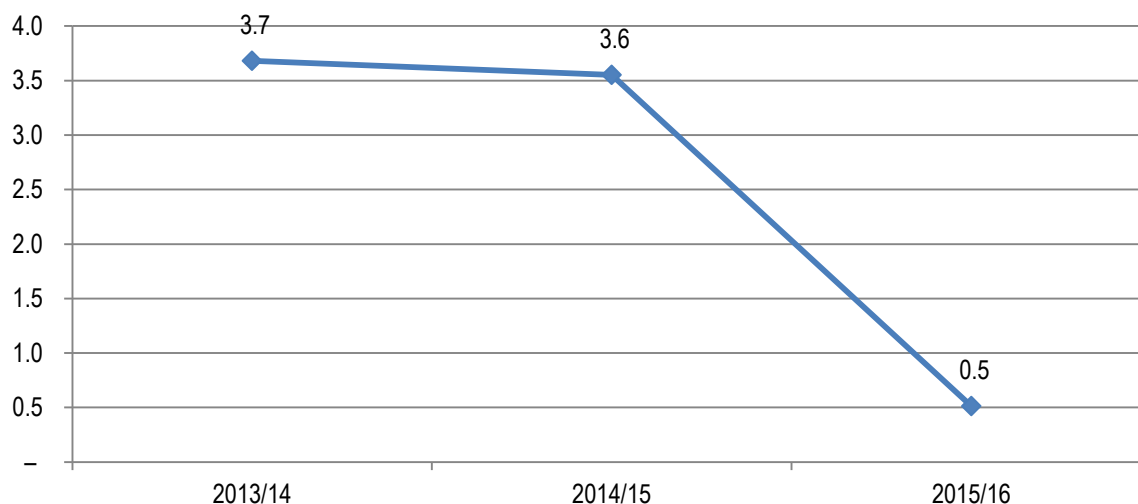
INTRODUCTION TO ASSET MANAGEMENT

Repair and Maintenance Expenditure: Year 0				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	29 365 624.00	31 014 286.00	24 752 818.63	20%

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE: There was a total spending of 59% of the total budget. This was due to the fact that the municipality initially planned to repair its plant and machinery but after further analysis and its poor condition, the decision was taken to acquire a new plant and machinery, thus leading to under expenditure.

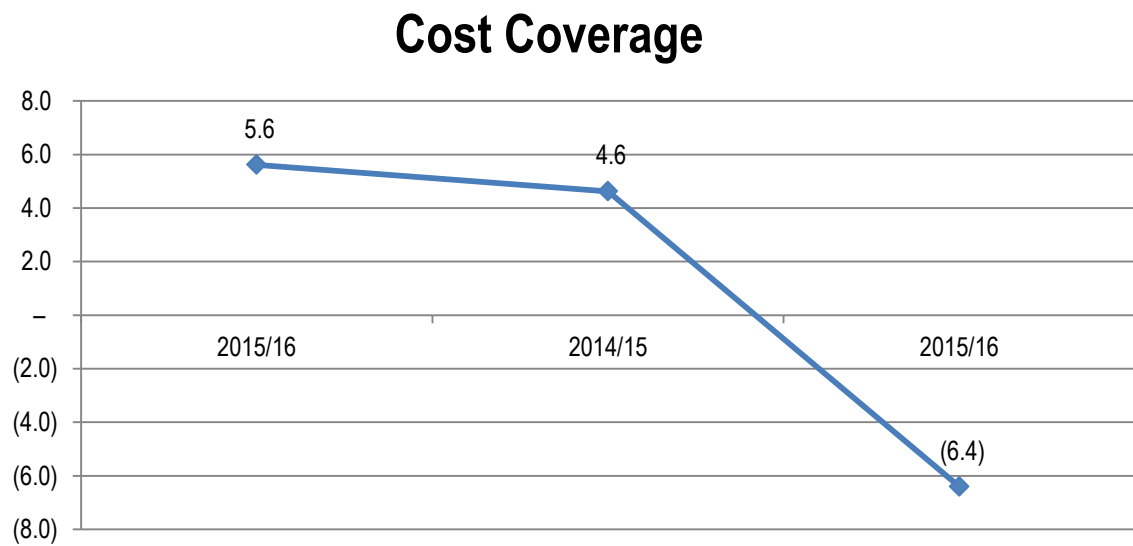
5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS: T5.4.1-T5.4.9

Liquidity Ratio



Liquidity Ratio – Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets (due within one year) by the municipality's current liabilities. A higher ratio is better.

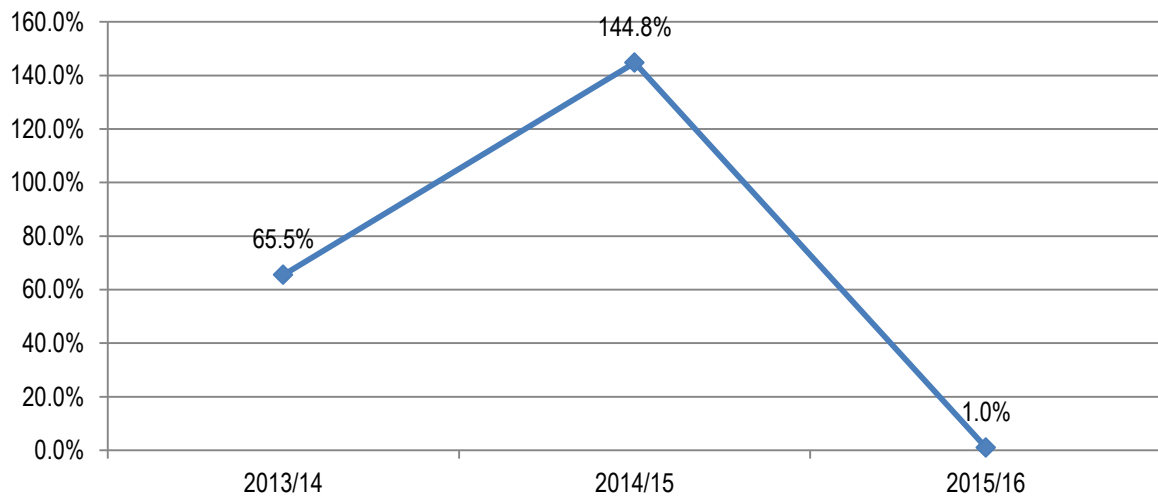
Data used from MBRR SA8



Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

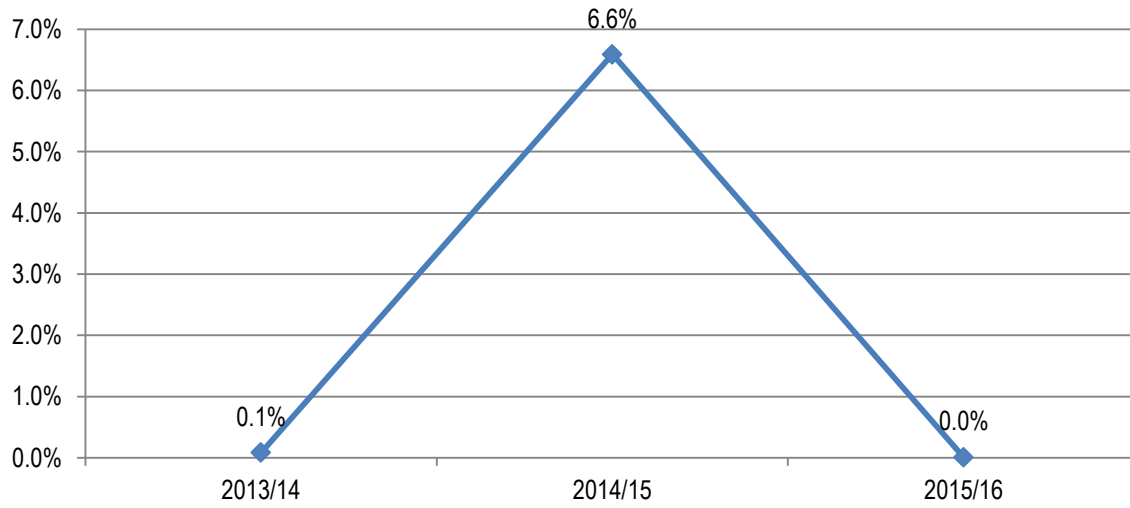
Data used from MBRR SA8

Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

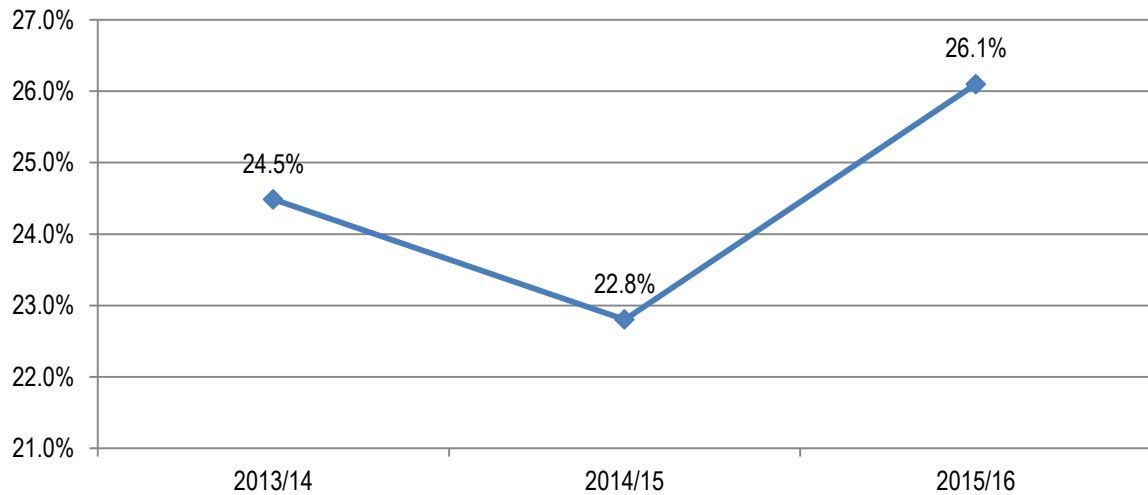
Capital Charges to Operating Expenditure



Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

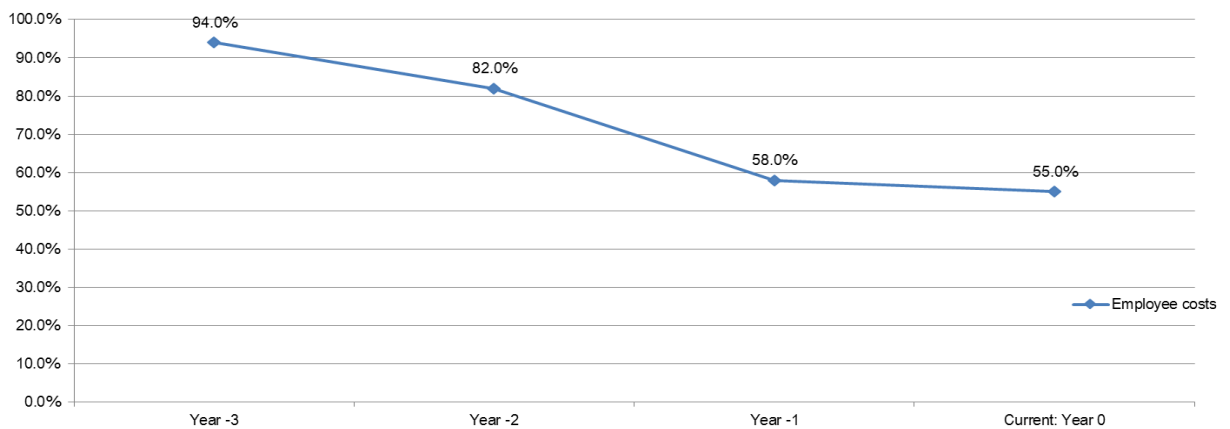
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

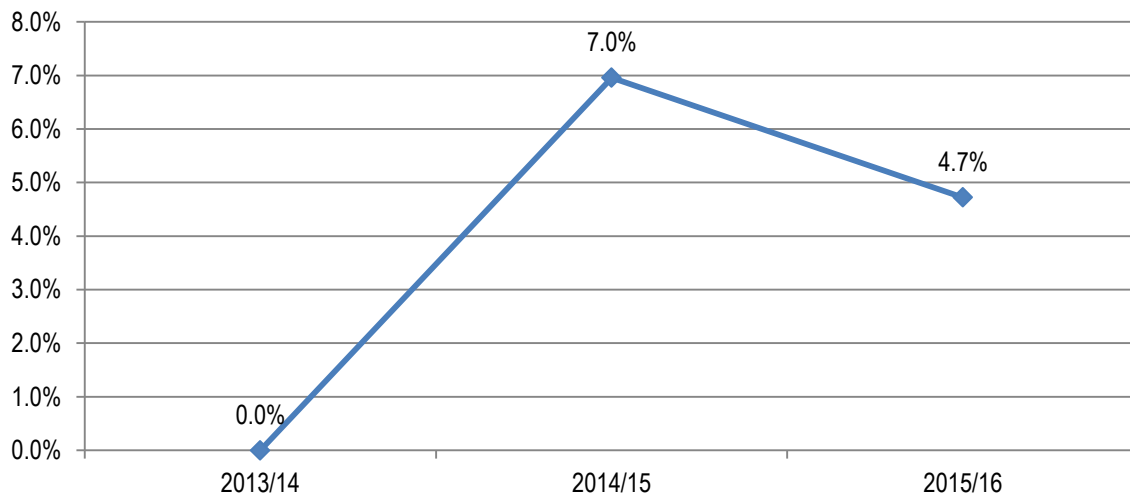
Employee Costs



Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

5.4.9 COMMENT ON FINANCIAL RATIOS:

Liquidity Ratio

This ratio provides an indication of the municipality's ability to pay its short term debts in the short-term (viability of an entity). These ratios focus on current assets (debtors, bank and cash, inventory) and current liabilities (trade and sundry creditors, provisions, accruals). In the current year, the municipality had a 3.8 liquidity ratio, which is favorable and indicates that the municipality can meet its obligations as they fall due.

Cost coverage

The cost coverage is calculated as available cash plus investments divide by monthly fixed operational expenditure. The municipal budget reporting regulations table for 2013/14 shows the coverage ratio at 10.4, this indicates that the municipality had sufficient reserves to meet its fixed monthly operational costs.

Total outstanding service debtors

This ratio measures how much money is owed by the consumers on services provided by the municipality. The municipality only provides refuse removal. The percentage of 21.2% indicates that the municipality is making steady progress in addressing the challenges of poor collection rate as there has been improvement in collection of revenue against the billed amount.

Debt coverage

The municipality has a low debt coverage rate of 6.9, which indicates that it does not generate sufficient own revenue to cover its own operational costs.

Creditors system efficiency

The municipality is developing systems in place to ensure that the creditors are paid within 30 days on receipt of valid invoice. This has led to a 90% improvement in the payment rate and the reduction in the creditors balance at year end.

Capital charges to Operating Expenditure

The rate is low because the municipality did not have capital loans and the interest incurred was on late payment of creditors.

Employee costs

The rate of 24.8% is lower than the previous year of 30.6%, because the municipality had many vacant positions that were budgeted for but that were never filled. There were also vacancies at Senior Management Level, which became vacant in the current year but were not timeously filled leading to a reduction in the rate.

Repairs and maintenance

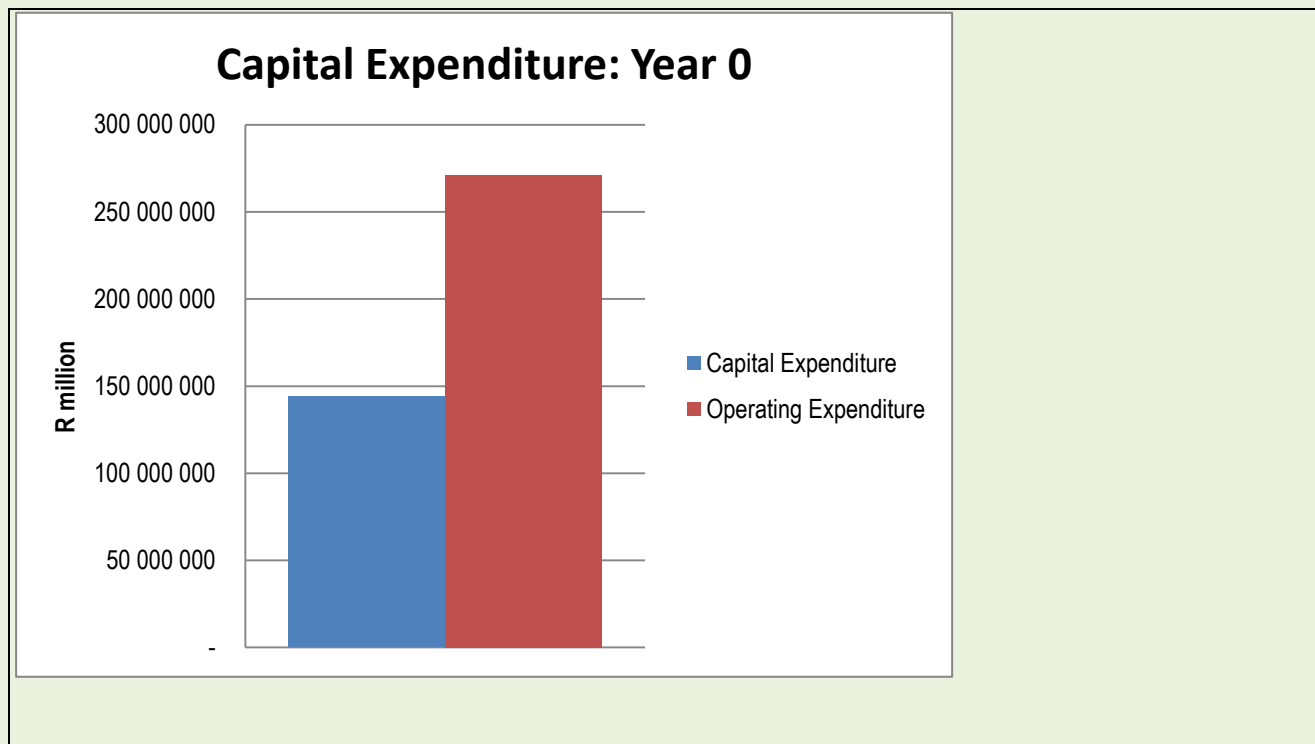
The rate of repairs and maintenance has declined due to projected not completed during the year on the maintenance of access roads.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and operating expenditures and surpluses. Component B deals with capital spending indicating where the funding comes from and whether Municipalities are able to spend the available funding as planned. In this component it is important to indicate the different sources of funding as well as how these funds are spend. Highlight the 5 largest projects (see T5.7.1) and indicate what portion of the capital budget they use. In the introduction briefly refer to these key aspects of capital expenditure (usually relating to new works and renewal projects) and to **Appendices M** (relating to the new works and renewal programmes), **N** (relating to the full programme of full capital projects, and **O** (relating to the alignment of projects to wards).

5.5 CAPITAL EXPENDITURE



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: Year -1 to Year 0							
R' 000							
Details		Year -1	Year 0				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans						
	Public contributions and donations						
	Grants and subsidies	53 640 000.00	73 122 019.00	73 122 019.00	73 122 019.00	0%	0%
	Other	5 000 000.00	68 687 604.00	70 900 054.00	95 176 416.77	-3%	-39%
Total		58 640 000.00	141 809 623.00	144 022 073.00	168 298 435.77	-2%	-19%
Percentage of finance							
	External loans						

Draft Annual Report (Unaudited) – FY2015/16

	Public contributions and donations						
	Grants and subsidies	0.91	0.52	0.51	0.43	2%	16%
	Other	0.09	0.48	0.49	0.57	-2%	-17%
Capital expenditure							
	Water and sanitation						
	Electricity	3 000 000.00	20 000 000.00	20 000 000.00	28 236 842.10	-41%	-41%
	Housing	-	20 960.00	20 960.00	-	100%	100%
	Roads and storm water	50 640 000.00	53 122 019.00	53 122 019.00	67 129 405.23	0%	-26%
	Other	5 000 000.00	68 666 644.00	70 879 094.00	72 932 188.44	-3%	-3%
Total		58 640 000.00	141 809 623.00	144 022 073.00	168 298 435.77	-2%	-17%
<i>Percentage of expenditure</i>							
	Water and sanitation						
	Electricity	0.05	0.14	0.14	0.17	2%	
	Housing	-	0.00	0.00	-		100%
	Roads and storm water	0.86	0.37	0.37	0.40		-8%
	Other	0.09	0.48	0.49	0.43	-2%	12%

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS**INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS**

The municipality's consistently strong liquidity profile over the past few years reflects a viable administrative system geared towards fiscal discipline despite challenges associated with the collection of revenues. The municipality prepares highly informative and comprehensive annual financial statements, including a balance sheet that is independently audited by the Auditor General. The district municipality received an unqualified audit opinion for the financial year ended 30 June 2011, following a qualification in the prior year. The qualifications normally do not contain any material qualifications that affect the cash flow of the municipality.

5.8 CASH FLOW

Cash Flow Outcomes				
Description	Year -1	Current: Year 0		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
	8	60	74	43 995
Ratepayers and other	081	651	651	671
	166	228	216	201 848
Government - operating	880	802	928	981
	53	73	73	73 122
Government - capital	640	122	122	019

Interest	068	000	479	740
Dividends				
Payments				
Suppliers and employees	(202 029)	(226 766)	(231 833)	(201 648 455)
Finance charges				
Transfers and Grants				
NET CASH FROM/(USED) OPERATING ACTIVITIES	35 641	141 810	143 346	126 546 956
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets				
NET CASH FROM/(USED) INVESTING ACTIVITIES	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing				
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	35 641	141 810	143 346	126 546 956
Cash/cash equivalents at the year begin:				-
Cash/cash equivalents at the year end:	35 641	141 810	143 346	126 546 956

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

COMMENT ON BORROWING AND INVESTMENTS:

The municipality did not have borrowings in the 2015/16 financial year.

Investment profile

The municipality has short term investments with different banks. This is under cash and cash equivalents under the AFS note 5.

Municipal and Entity Investments			
	R' 000		
Investment* type	Year -2	Year -1	Year 0
	Actual	Actual	Actual
<u>Municipality</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	0	0	0
<u>Municipal Entities</u>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	0	0	0
T 5.10.4			

1.11 PUBLIC PRIVATE PARTNERSHIP

The municipality does not have any Public Private Partnerships during the 2015/16 financial year

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Section 3(1)(b) and (c) of the SCM Regulations states that the accounting officer of a municipality must at least annually review the implementation of the SCM policy and when necessary submit proposal for the amendment of the policy to council.

Section 117 of the MFMA states that: “No councilor of any municipality may be a member of a municipal bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, not attend any such meeting as an observer.” The Accounting Officer established a committee system that is consistent with the MFMA and Municipal SCM Regulations for competitive bids consisting of:

- A bid specification committee
- A bid evaluation committee
- A bid adjudication committee

Chapter 6 of the Municipal Regulations on Minimum Competency Levels states that: “The accounting officer and any other official of a municipal entity involved in the implementation of the SCM Policy of the municipal entity must generally have the skills, experience and capacity to assume and fulfil the responsibilities and exercise the functions and power in respect of Supply Chain Management.” The regulations indicate the minimum competency levels for Heads and Managers in Supply Chain Management and Supply Chain Management Practitioners.

Supply Chain Management is centralized and situated in the Budget and Treasury Department with 5 permanent staff members, 1 of them has completed the minimum competency requirements, whilst 4 are in the final stages of meeting these competencies

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders.

Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The municipality is yet to achieve full compliance with GRAP but notable strides have been made as captured in the Audit Action Plan. Material misstatements were identified by the Auditor-General that were subsequently corrected, leading to the Annual Financial Statements receiving an emphasis of matter in the audit report.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

COMPONENT A: AUDITOR GENERAL OPINION OF FINANCIAL STATEMENT

YEAR-1

6.1 AUDITOR GENERAL REPORT YEAR -1 2014/15

AG REPORT ON FINANCIAL PERFORMANCE YEAR-1

Non-compliance issues	Remedial Actions Taken
1. Procurement and Contract Management	Develop procedure manual for SCM processes
2. Strategic and Performance Management	PMS Policy in place and performance reviews will be processed
3. Annual Financial Statements, Performance and Annual Report.	Annual report will be developed internal and it will be submitted to the Council on December.
4. Human Resource Management and Compensation	Management will have to develop policies to address this issue and upon recruitment they will follow the process
5. Expenditure Management	
6. Revenue Management	Management will update the valuation roll to ensure accurate billing system

7. Asset Management	Utilize the Asset Management System to enhance the project management reporting for all infrastructure services
8. Consequence Management	Management will refer the matter back to council so that the proper channels can be followed to condone the irregular expenditure Provincial Treasury to assist by 30 may.
9. Internal Control	Management will ensure that all employees are familiar with the code of conduct and sign the code of conduct
10. Irregular Expenditure	Ensure all the Section 52 (d) reports include the Irregular Expenditure Register and are signed by all parties involved

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 0 (2015/16)

6.2 AUDITOR GENERAL REPORT YEAR 0

AG REPORT ON SERVICE DELIVERY PERFORMANCE YEAR -0

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENT YEAR 0

The report for Auditor General is still not available for the year 2015/2016

COMMENTS ON AUDITOR GENERAL'S OPINION YEAR 0

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The CFO states that these data set have been returned according to the reporting requirements.

Signed (CFO).....Date

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability	Documents used by executive authorities to give “full and regular” reports on

documents	the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>"what we do"</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.

Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a “vote” as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>
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APPENDICES

APPENDIX A- COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance						
Nr	Council Members	Full Time / Part Time (FT/ PT)	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non attendance
					Nr	Nr
1	Rulumeni P	P/T	Developmental Planning	ANC	100%	Nil
2	Nkqwiliso N	P/T	Infrastructure	ANC	100%	Nil
3	Tswila N	P/T	Finance,HR & Admin	ANC	100%	Nil
4	Kalityi SD	P/T	Infrastructure	ANC	91%	9%
5	Potelwa M	P/T	Community Services	ANC	100%	Nil
6	Nodliwa T	P/T	MPAC	ANC	91%	9%
7	Zimba X	P/T	Finance,HR & Admin	ANC	73%	27%
8	Khwakhwi M	P/T	Infrastructure	ANC	100%	Nil
9	Jamnda B	P/T	Finance,HR & Admin	ANC	100%	Nil
10	Mpongwana S	P/T	Developmental Planning	ANC	100%	Nil

11	Sigcau N.	P/T	Finance,HR & Admin	ANC	82%	18%
12	Peter M	P/T	Finance,HR & Admin	ANC	73%	27%
13	Willie X		Infrastructure	ANC	64%	36%
14	Tshika T	P/T	MPAC	INDP	55%	45%
15	Khosi Z	P/T	Infrastructure	ANC	91%	9%
16	Buyeye N	P/T	Infrastructure	ANC	55%	45%
17	Tyali M	P/T	Finance,HR & Admin	UDM	100%	Nil
18	Faniso P	P/T	Community Services	UDM	91%	9%
19	Mcotsho M (SPEAKER)	F/T	Speaker	ANC	100%	Nil
20	Savu J	P/T	Developmental Planning	INDP	73%	27%
21	Kopolo N	P/T	Developmental Planning	ANC	73%	27%
22	Ndinisa S	P/T	Developmental Planning	ANC	91%	9%
23	Mapungu M	P/T	Community Services	ANC	91%	9%
24	Matiwane V	P/T	Infrastructure	ANC	91%	9%
25	Magatya N	P/T	MPAC	ANC	91%	9%
26	Mtsi N	P/T	Infrastructure	ANC	45%	55%
27	Mbomvu M	F/T	Community Services (Chairperson)	ANC	91%	9%
28	Magelana B	P/T	Admin and Finance	ANC	91%	9%
29	Gogoba L	P/T	Admin and Finance	ANC	91%	9%
30	Majiya M	P/T	Community Services	ANC	82%	18%
31	Noyila M	P/T	Admin and Finance (Noyila)	ANC	100%	Nil
32	Mfecane N.O	F/T	Mayor (Chairperson EXCO)	ANC	73%	27%

33	Hoyo S	P/T	Admin and Finance	ANC	100%	Nil
34	Stefana N	P/T	Planning and Development	ANC	55%	45%
35	Sigcawu B	P/T	Community Services	ANC	55%	45%
36	Somana V	P/T	MPAC	ANC	100%	Nil
37	Ncethani N	P/T	Community Services	ANC	80%	20%
38	Khekhetshe F	P/T	Admin and Finance	ANC	91%	9%
39	Mlungu N.	P/T	MPAC	ANC	55%	45%
40	Baleni X.B	P/T	Planning and Development	ANC	82%	18%
41	Janda N	P/T	Admin and Finance	ANC	73%	27%
42	Benya N	P/T	MPAC	ANC	64%	36%
43	Mlandu N	P/T	MPAC	ANC	91%	9%
44	Tyodana X	P/T	Planning and Development	ANC	73%	27%
45	Jafta M	P/T	Planning and Development	COPE	55%	45%
46	Lumkwana N	P/T	Admin and Finance	COPE	91%	9%
47	Mbewu VSK	P/T	Infrastructure	COPE	73%	27%
48	Nonjaca N	P/T	Admin and Finance	COPE	82%	18%
49	Bambiso X	P/T	MPAC	COPE	36%	64%
50	Methu P	P/T	Planning and Development	COPE	55%	45%
51	Mbiko F	P/T	MPAC	COPE	82%	18%
52	Ndlodaka N	P/T	Community Services	COPE	91%	9%
53	Xhungu N	P/T	Community Services	COPE	73%	27%
54	Msindwana K	F/T	Planning and Development	UDM	91%	9%
55	Cele N.	P/T	Community Services	UDM	82%	18%

56	Mhlathi Y	P/T	Community Services	UDM	64%	36%
57	Tetyana M	P/T	Planning and Development	UDM	73%	27%
58	Takane M	P/T	Infrastructure	UDM	100%	Nil
59	Wulana S	P/T	MPAC	UDM	73%	27%
60	Mafanya T	P/T	MPAC	DA	55%	45%
61	Ngqola A	P/T	MPAC	APC	36%	64%
62	Masiko	P/T	Finance and Admin	ANC	91%	9%
63	Salakuphathwa	P/T	Community Services	ANC	45%	55%
64	Sigcawu N	P/T	Community Services	ANC	82%	18%
65	Ndim FF	F/T	Planning and Development	ANC	64%	36%
66	Nyendane	P/T	Developmental Planning	ANC	82%	18%
67	Sigcawu M	P/T	Infrastructure	ANC	36%	64%
68	Sigidi BW	P/T	Planning and Development	ANC	45%	55%
69	Titshala M	P/T	Community Services	ANC	55%	45%
70	Qotongo VSD	P/T	Planning and development	ANC	9%	91%
71	Ngubechanti	P/T	Infrastructure	ANC	36%	64%
72	Ndevu X.S	P/T	Admin & Finance	ANC	9%	91%
73	Zenani N.	P/T	Community services	ANC	9%	91%

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSES

With due regard to the extent of the functions and powers of the municipality, the need for the delegation of those functions and powers in order to ensure efficiency and effectiveness in performance and the available financial and administrative resources of the municipality to support a committee, the Council may, in terms of Section 80 of the Structures Act establish one or more Committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers; and

1. Finance and Administration Committee	<ul style="list-style-type: none"> ▪ To prepare and submit annually to the Executive Committee an operating and capital budget ▪ To consider the municipality's financial policies, long-term financial planning and budgeting of the Council ▪ To oversee the development, implementation and regular evaluation of a Human Resource Development programme for the administration of the municipality
2. Infrastructure Services Committee	<ul style="list-style-type: none"> ▪ To ensure that developmental projects undertaken on behalf of the community adhere to basic principles of the RDP, such as public participation, Human Resource Development and economic development; ▪ To ensure that the existence of a systematic development of a database on the state of infrastructure development in the municipality with intention to determine the impact and extent of backlogs;
3. Planning and Development	<ul style="list-style-type: none"> ▪ To develop a comprehensive economic development programme with clearly defined parameters ▪ To facilitate the assertion of local government as the center of coordination of economic development ▪ To coordinate an inter-departmental economic development cluster for synergizing of governmental programme in economic development
4. Community Services	<ul style="list-style-type: none"> ▪ To identify the social needs of the community; ▪ To establish health standards for all public and private institutions engaged in various activities in line with national guidelines; ▪ To monitor the efficiency of health, and welfare institutions in the area of jurisdiction of the municipality;

5.The Rules Committee	to develop, formulate and adopt policy concerning the exclusive business of the Council including its proceedings, procedures, rules, orders and practices;
6.Remuneration Committee	to prepare a staff remuneration policy for the Municipality taking into account any Bargaining Council Collective Agreements and directives, the Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 and any policies adopted by SALGA or directives issued by this association with regard to staff remuneration;

APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Vusumzi Stokwe (resigned in December 2015), Mzimasi Dyomfana, Anele Mtyhida, Sisa Baliso
Developmental Planning	Lithalobom Qunta: Kayaletu Majavu
Infrastructure Services	Chuma Lusanda Makonza, Thulani Masangwana
Corporate Services	Nonzwakazi Hanise, Azile Tsewu
Financial Services	Vuyo Jam Jam, Ndoda Zibi
Community Services	Lungisa Bongo, Isaac Xolile Siguye

APPENDIX D: FUNCTIONS OF MUNICIPALITY/ ENTITY

Powers and Functions

The table below gives a list of our assigned powers and functions and also provides an analysis of our levels of capacity or gaps for undertaking our constitutional and legal mandate.

Functions of Mbhashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Beaches and Amusement facilities	Yes	The area for recreational opportunities and facilities along the sea shore available for public use and any other aspect in this regard which falls outside the competence of the national and provincial government.	Not adequately
Cemeteries, funeral parlours and crematoria	Yes, including DM function	The establishment conduct and control of facilities for the purpose of disposing of human and animal remains.	Yes
Child care facilities	Yes	Facilities for early childhood care and development which fall outside the competence of national and provincial government	No
Cleansing	Yes	The cleaning of public streets, roads and other public spaces either manually or mechanically	Yes
Control of public nuisance	Yes	The regulation, control and monitoring of any activity, condition or thing that may adversely affect a person or a community	No
Control of undertakings that sell liquor to the public	Yes	The control of undertakings that sell liquor to the public that is permitted to do so in terms of provincial legislation, regulation and licenses , and includes an inspection service to monitor liquor outlets for compliance to license requirements in as far as	No

Functions of Mbhashe Municipality	Authorization / (Power)	Definition	Capacity to perform
		such control and regulation are not covered by provincial legislation	
Facilities for the accommodation, care and burial of animals	Yes	The provision of and/or the regulation, control and monitoring of facilities which provide accommodation and care for well or sick animals and the burial or cremation of animals, including monitoring of adherence to any standards and registration requirements and/or compliance with any environmental health standards and regulations	No
Fencing and fences	Yes	The provision and maintenance and/or regulation of any boundary or deterrents to animals and pedestrians along streets or roads	Yes
Licensing of dogs	Yes	The control over the number and health status of dogs through a licensing mechanism.	No
Local sport facilities	Yes	The provision, management and/or control of any sport facility within the municipal area.	Yes

Functions of Mbhashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Markets	Yes	The establishment, operation, management, conduct, regulation and/or control of markets other than fresh produce markets including market permits, location, times, conduct etc.	Not adequately
Municipal abattoirs	Yes	The establishment conduct and/or control of facilities for the slaughtering of livestock.	Not adequately
Municipal parks and recreation	Yes	The provision, management, control and maintenance of any land, gardens or facility set aside for recreation, sightseeing and/or tourism and include playgrounds but exclude sport facilities.	No
Municipal Planning	Yes	The compilation and implementation of and integrated development plan in terms of the Systems Act.	Yes
Municipal roads	Yes	The construction, maintenance, and control of a road which the public has the right to and includes, in addition to the roadway the land of which the road consists or over which the road extends and anything on that land forming part of, connected with, or belonging to the road, and also, for purposes of a local municipality, includes a street in build-up areas.	Yes

Functions of Mbhashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Noise pollution	Yes	The control and monitoring of any noise that adversely affects human health or well-being or the ecosystems useful to mankind, now or in future.	No
Pontoons and ferries	Yes	Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matter related thereto, and matters falling within the competence of national and provincial governments	Yes
Public places	Yes	The management, maintenance and control of any land or facility owned by the municipality for public use	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes, including DM function	the removal of any household or other waste and the disposal of such waste in an area, space or facility established for such purpose, and includes the provision, maintenance and control of any infrastructure or facility to ensure a clean and healthy environment for the inhabitants of a municipality	Yes
Storm water	Yes	The management of systems to deal with storm water in built-up areas	Yes
Street lighting	Yes	The provision and maintenance of lighting for the illuminating of streets	Yes

Functions of Mbhashe Municipality	Authorization / (Power)	Definition	Capacity to perform
Street trading	Yes	The control, regulation and monitoring of the selling of goods and services along a public pavement or road reserve	Yes
Trading regulations	Yes	The regulation of any area facility and/or activity related to the trading of goods and services within the municipal area not already being regulated by national and provincial legislation	Not adequately
Traffic and parking	Yes	The management and regulation of traffic and parking within the area of the municipality including but not limited to, the control over operating speed of vehicles on municipal roads.	Yes
Housing	Yes	Facilitation of the Housing development, with key focus on beneficiary identification, town planning matters, building plans and stakeholder engagement	Yes

APPENDIX E: WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held	Number of monthly reports submitted to	Number of quarterly public ward meetings

			during the year	Speakers Office on time	held during year
Ward 1	Ward Councillor P. Rulumeni Ngqongwa N; Dlabani L Xande B.Z , Bobo WM Ganda N; Mniki N Mpayipheli N; Mcetywa N , Kebevana Siphokazi	Yes	7	7	3
ward 2	Ward Councillor N Nkqwiliso Nogaga N ; Kwedinana N Tengwa C.N; Dinga P.N Mdayidayi N; JRS Tiko Nyoka N, Bidli Liyakhanya	Yes	3	3	3
ward 3	W/Councillor N Tswila Mdingi QT , Jaza S Tembani Z , Nohlaka VN Sangqu N, Gobinduku V,	yes	5	7	2
ward 4	Ward Councillor S. Kalityi Manko N, Zwemu A Potelwa M; Mayeki F Mdashe A; Nonkwali G	yes	7	8	4
ward 5	Ward Councillor Potelwa M Hlubi M; Feni P. Mkiva ML Mtshayana H, Komanisi W. Mapenyana N, Sogayise N, Ndlotyeni Ntsikelelo	yes	7	10	4
ward 6	Ward Councillor T Nodliwa, Ngubesilo A.G;D liso P , Tshiseka PK, Madaka NP, Hobose N, Bongo V.N.D,Vinqishe KN , Glen N	yes	7	8	3
ward 7	Ward Councillor Zimba X, Matshuku F, Zenzile N, Papa N, Malotana S, Gaveni B, Peter N, Nqwena N	yes	7	5	2
ward 8	Ward Councillor Khwakhwi M, Ndabakayise N, Mdibo N, Dyubele V, Siyandiba M, Zaba N	Yes	9	9	3
ward 9	Ward Councillor B Jamnda Malusi N, Mgushelo NL, Sosikela ND , Sigwayi K, Nayigo M, Maki V, Gqagqa P, Bongiwe Z	Yes	7	8	3
ward 10	Ward Councillor Mpongwana, Ngcasane P, Soshankane L, Ngqwemla N, Ndlazi Mniki, Vuza T, Malgas T, Nandipha	Yes	03	9	3

	Phambukeli.				
ward 11	Ward Councillor N Sigcawu, N Mlonyeni, N Ganu, N Mbane, Z Marwanqana, N Ntlanganiso Phinda Mboniso, Ngoloti, N Tomsana, N Ntantiso N Jack	Yes	7	2	0
ward 12	Ward Councillor M Peter Malashe NM, Bomela N, Hagile NS, Ntantala EM, Ndzandzeka A, Bokolo N, Mfazwe N.C, Pepeteni P.M	Yes	6	9	0
ward 13	Ward Councillor X Willie T. Ndywabasini N. Ziqwayi, P. Saphepha N.Ncungula, M. Siqhekevu P. Nogemane, P. Bhungu O. Dwakasa, M. Pewula BMgushelo	yes	0	0	0
ward 14	Ward Councillor T Tshika M. Mdutyana M.J. Jacob Nontsasa Mpozolo Mbelani Nolufefe Zawula Fenny Nkomonye Nolutindiso Mvuyo Ndzo Stungu Nocawe No-one Sanda Zenzile	yes	0	0	0
ward 15	Ward Councillor Z. Khosi Dingekhaya Jojiyeza Thando Nojavu Tayi Matayela Thwethwa Nosakhele Nonkatha Lindeka Gongqo Mziwapheli Xam Likethi Ntuli Vukile Toyi Cristopher	Yes	0	0	0

ward 16	Ward Councillor N Buyeye Siwowo Mandlakapheli Zongezile Fuku Silayi Phendula Joni Kholiswa Nomkhala Dyubhele Thandeka Dingekhaya Moshekileyo Senzeko Dumisa Mdanda Nomabhaca Gwentshe Nophathile Fundakubi	yes	0	0	0
ward 17	Ward Councillor M.Tyali Nowisilane Mhlabeni N Stokhwe, M Mdeni, K Dinisile, R Nobulele, Z Bayiyana, N Ngqola, N Mahleba A Zunguzane, N Balikhulu	yes	0	0	0
ward 18	Ward Councillor P. Faniso N Maphuthuma, S Ngetyan, N Siswana, N Xingile, S SiKhwahla, N Ngqweqwe, U Tyali M Mahlangu	yes	0	0	0
ward 19	Ward Councillor M Mcotsho Willie Tshabiso, Matyala Jude Mercy Sonwabo Nosebenzile Mngcisana Malima N.Masimini Khonyeni Gladile M Lova Nombulelo Xingile	Yes	0	0	0
ward 20	Ward Councillor J Savu T. Mxabani, N Manini, Qevu M, N. Marhabula, Khonza N, Xamba S, Mgonondi N, N Tabhe, N. Nogemane, Paliso A	yes	0	0	0
ward 21	Ward Councillor: N. Kopolo A. Mdodana, Nongena Novangile, N. Ndilele, Nqweniso, Nolathile, Dyolidane, Somikazi, M. Magqaza, Mngcongo, Nofundile , N. Ngqengqa, Mgweje Phindiwe	yes	12	9	3

ward 22	Ward Councillor: S Ndinisa B Mthini, N Ntsotho, Goqweni D,S Sikolweni,Qatu G ,Z Mpotya,N Ndesi,K Ntunja,N Sidlanga,Z Delihlazo	yes	15	0	0
ward 23	W/Councillor Mapungu M Nozinzile Khalimashe Siluthu Mybeck Ntlabane Gobeni Leletu Samantha Ntshata Nokwanele Tshali Mbuyekezi Ganelo Mthetheleli Situlo Ntombokuqala Meje Ntombomfazi Mpakama N. Krishe	Yes	07	0	0
ward 24	W/Councillor Matiwane N Sonwabo Sambane Ndoda Jilaji Mqokeleli Mnyanda Mfanekiso Tshofuthi Skoli Qavane Xhala Nowezile Ntonmbizethu Dapuna Nozuko Dlongwana Nomsa Solontsi Alicia Magadlela	Yes	7	8	03
Ward 25	W/Councillor N. Magatya Nokwandisa Makhuleni Kenneth Zito Nonyameko Voyi Novusile Ntuli Nomandla Nongwane Kholeka Mangaliso Ntombizabantu Qegu Sbongile Batyi Nomakorinte Damane Ms. Anati Duku	Yes	7	0	0
ward 26	W/Councillor N Mtsi Wele Namba N. Nyathela Steven Velaphi Smith Mavathulana Nonceba Hayi NoAnele Mtshayisa Bhungeni L Wilson Genyane Bokomfu Nompau Nandipha Mantshantsha	Yes	7	0	0

ward 27	W/Councillor M Mbomvu Mr. Matu Makwedinana Mr. Mvusi Masiko Mr. Mzimasi Dilanga Ms Mgedle Nothemba Mrs. Xego Notembile Mbayeka Yoshuwa Zali Gabhuza Sithole Nonurse Mtshotshisa Nofezile Daka Lwazi	Yes	7	10	03
ward 28	W/Councillor B Maqelana Elliot Maqunyana Nosekethe Mfede Mzuzile Hlonti Volakhe Vetyana Nomava Mhlana V.Mbethe K.Qayiso Nokaya Royi Nonyukele Zenani No-Amen Ngqo	yes	07	none	02
ward 29	W/Councillor Gogoba L, Nokwandisa Gcwabe Mncono Wiseman Nokwakha Gcasamba Mpuqa N, Dunga M M. Ntloko Kaptani Xhayi P. Ncumeza Nolundi Somathika N. Mkhosi	yes	08	0	0
ward 30	W/Councillor M Majiya Dyonase N,Mene N Joice,D Nondleko,Booi Z, Tshetu T,Mazaleni N,Pokopiya N,Ntwasa N, Mhaga M.A	Yes	02	none	02
ward 31	W/ Councillor M Noyila Khwekhwe, Makaka S Qhawukehlangana M Ndarhana N,Thuthu S, Sigabi N, Gazi K Myathaza N, Mkhosana G Ncethani N	Yes	10	None	03

APPENDIX F: WARD INFORMATION

Ward title: Ward Name Number				
Capital Projects : Seven Largest in year 0				
NO	Project Name and Details	Start Date	End Date	Total Value
1	Road Surfacing Dutywa	26 February 15		R 24 736 163.20
2	Road Surfacing Elliotdale	26 February 15		R 16 091 165.47
3	Ndalatha- xora mouth	16 March 16		R 8 933 319.73
4	Talimofu access road	18 February 16		R 5 651 914.18
5	Makhamisa to Mbelu access road	22 July 16	21 March 16	R 4 987 295.52
6	Nonkqubela access road	22 March 16		R 4 890 368.93
7	Pewula access road	16 March 16		R 4 364 616.43

BASIC SERVICES PROVISION					
DETAILS	WATER	SANITATION	ELECTRICITY	REFUSE	HOUSING
Households with minimum service delivery	ADM	ADM	41033	22199	20091
Households without minimum service delivery	ADM	ADM	19091	37925	40033
Total House holds			60124	60124	60124
TOP FOUR SERVICE DELIVERY PRIORITIES PER WARD					
NO	Priority Name and Details	Progress During Year 0			
1	Municipal Roads Constructed	32km			
2	Municipal Roads Maintained	691km			
3	Electrification (Grid Connections)	1400 Connections			
4	Electrification (Non Grid Connections)	3079 Connections			
5	Community Services infrastructure	6 community Halls			

ELECTED WARD MEMBERS STATING NUMBER OF MEETINGS ATTENDED - MAXIMUM 12 MEETINGS

APPENDIX G: RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 0	Recommendations adopted (enter Yes) If not adopted (provide explanation)
5-Aug-14	<u>Audit Committee Charter</u> Committee resolved that it must be included in the Audit Charter the fact director will be allowed a maximum of 7 days to respond to the findings raised in draft report of the Internal Audit Unit	Yes
C 5-Aug-14	<u>Internal Audit Plan</u> Meeting resolved that hours should be included to the plan and be broken down. Committee resolved that the nature of ICT audit should be to consulting activity. Committee resolved that it adopt the Internal Audit Plan pending to the changes.	Yes
26-Aug-14	<u>Annual Financial Statements</u> Committee resolved that arms should not be paid for the review Financial Statements. Committee resolved that it Adopts the Financial Statements pending on the corrections to be made by CFO.	Yes
28-Oct-14	<u>Polices</u> The committee resolved that in the following meeting the management should present the newly adopted and reviewed policies for the current financial year	Yes
28-Oct-14	<u>Risk Management</u> The committee resolved that the Risk Management should reside in the office of the Internal audit whiles the municipality is looking for a dedicated person relating to risk.	Yes
28-Oct-14	<u>Resolution Register</u> The Committee resolved that the Audit Committee resolution register should be discussed as the standing alone in the Management Meeting before it can be discussed to the Audit Committee Meeting.	Yes
1-Apr-15	<u>Polices</u> The committee resolved that all policies should go through the Audit Committee before they are submitted to Council for approval.	No due to time constraints the policies were not submitted to the Audit Committee

1-Apr-15	<u>Audit Action Plan</u> The Committee resolved that management should resolved all the issued raised by Auditor General before the end of the Mouth.	Yes
1-Apr-15	<u>FUEL USAGE REPORT</u> The Committee resolved that Acting Municipal Manager should develop the Action Plan and report on the next Audit Committee Meeting about the status quo.	No due to time constraints the policies were not submitted to the Audit Committee
1-Apr-15	<u>REPORT ON THE EXPENDITURE TO DATE FOR ARMS IA (CONSULTANT)</u> The Committee resolved that ARMS should stick to the budgeted hours and the Municipality should not pay for unbudgeted hours.	Yes
1-Apr-15	<u>Irregular and Wasteful Expenditure</u> The Committee resolved that the irregular and Wasteful Expenditure should be a standing item in the agenda of the Audit committee.	Yes

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

NOT APPLICABLE

APPENDIX I –MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

NOT APPLICABLE

APPENDIX J – DISCLOSURES OF FINANCIAL INTEREST

Disclosure by Councillors and Officials

Nr	Council Members	Disclosure of Financial Interest
1	Rulumeni P	None
2	Nkqwiliso N	None
3	Tswila N	None
4	Kalityi SD	None
5	Potelwa M	None
6	Nodliwa T	None
7	Zimba X	None
8	Khwakhwi M	None
9	Jamnda B	None
10	Mpongwana S	None
11	Sgcau N.	None
12	Peter M	None
13	Willie X	None
14	Tshika T	Funeral Parlour business
15	Khosi Z	None
16	Buyeye N	None
17	Tyali M	None
18	Faniso P	None
19	Mcotsho M (SPEAKER)	None
20	Savu J	None
21	Kopolo N	None
22	Ndinisa S	None
23	Mapungu M	None
24	Matiwane V	None
25	Magatya N	None

26	Mtsi N	None
27	Mbomvu M	None
28	Maqelana B	None
29	Gogoba L	None
30	Majiya M	None
31	Noyila M	None
32	Mfecane N.O	None
33	Hoyo S	None
34	Stefana N	None
35	Sigcawu B	None
36	Somana V	None
37	Ncethani N	None
38	Khekhetshe F	None
39	Baleni	None
40	Janda N	None
41	Benya N	None
42	Mlandu N	None
43	Tyodana X	None
44	Jafta M	None
45	Lumkwana N	None
46	Mbewu VSK	None
47	Nonjaca N	None
48	Bambiso X	None
49	Methu P	None
50	Mbiko F	None
51	Ndlodaka N	None
52	Xhungu N	None
53	Msindwana K	none
54	Cele N	None
55	Mhlathi Y	None
56	Tetyana M	None
57	Takane M	None
58	Wulana S	None
59	Mafanya T	None
60	Ngqola A,	None
61	Mlungu N	None
	Officials	
62	Poswa SV	None

63	Mtongana M	None
64	Mqingwana CB	None
65	Mqoqi NY	None
66	Nako M	None
67	Sikobi CX	None
68	Sityata G	None
68	Nini MP	None

APPENDIX K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE**ANNEXURE K1: REVENUE COLLECTION PERFORMANCE BY VOTE**

Revenue Collection Performance by Vote						
R' 000						
Vote Description	Year -1	Current: Year 0			Year 0 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive & Council- Vote 1	0	11 047 000	11 047 000	11 047 000	0%	0%
Finance & Admin - Vote 2	181 706 890	234 942 815	241 374 477	227 257 212	3%	6%
Planning & Development - Vote 3	1 683 326	1 393 352	566 101	1 024 176	26%	-81%
4 Community & Social services - Vote	586 516	473 187	473 187	492 534	-4%	-4%
Housing - Vote 5	0	0	0	0	0%	0%
Public safety - Vote 6	1 487 794	2 439 694	3 439 694	3 709 820	-52%	-8%
7 Environmental management - Vote	350 000	0	0	0	0%	0%
Solid waste- Vote 8	1 024 394	807 560	807 560	-43 217	105%	105%
Waste water management - Vote 9	190 450	86 537	86 537	86 394	0%	0%
Roads transport - Vote 10	53 640 000	117 385 000	117 385 000	84 621 492	28%	28%
Electricity - Vote 11						
Other - Vote 12						
Example 13 - Vote 13						
Example 14 - Vote 14						
Example 15 - Vote 15						
Total Revenue by Vote	240 669	368 575	375 180	328 195	0.11	0.13

ANNEXURE K2: REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source		R '000
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Description	Year -1	Year 0			Year 0 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	4	5	5	6	-13%	-13%
Property rates - penalties & collection charges	358	844	844	587	0%	0%
Service Charges - electricity revenue	–	–	–	–	0%	0%
Service Charges - water revenue	–	–	–	–	0%	0%
Service Charges - sanitation revenue	–	–	–	–	0%	0%
Service Charges - refuse revenue	–	–	–	–	-19%	-19%
Service Charges - other	797	771	771	921	0%	0%
Rentals of facilities and equipment	–	–	–	–	0%	0%
Interest earned - external investments	–	–	1	1	-36%	12%
Interest earned - outstanding debtors	773	757	170	028	-15%	-2%
Dividends received	6	4	4	4	0%	0%
Fines	022	000	500	604	0%	0%
Licences and permits	–	–	–	–	59%	19%
Agency services	627	919	461	373	53%	53%
Transfers recognised - operational	550	673	673	791	0%	0%
Other revenue	–	–	–	–	-1%	1%
Gains on disposal of PPE	161	169	171	170	19%	72%
Enviromental Proctection	824	325	348	243	100%	100%
	1	10	30	8	0%	0%
Total Revenue (excluding capital transfers and contributions)	176	194	216	193	0.48%	10.81%
	447	124	602	188		

ANNEXURE L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG**Conditional Grants: excluding MIG****R' 000**

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Equitable Share	220 782 000.00	209 735 000.00	193 756 000.00	12%	8%	Unspent MIG in 2014/15 was withheld and deducted from Equitable Share
Municipal Systems Improvement Grant	934 000.00	934 000.00	934 000	0%	0%	Improvement of Systems
Other Specify:				0%	0%	
Finance Management Grant	1 600 000.00	1 600 000.00	1600 000	0%	0%	Capacity Building for Finance Officials and appointment of Interns
EPWP Incentive	1 153 000.00	1 153 000.00	1153 000	0%	0%	Capacity Building and employment growth
Libraries	300 000.00	300 000.00	300 000	0%	0%	Library operations
Electrification	2 000 000.00	3 000 000.00	3 000 000	0%	0%	Electrification of municipal wards
Total	226 769 000.00	216 722 000.00	200 743 000.00	4%	7%	

APPENDIX M: CAPITAL EXPENDITURE- NEW & UPGRADE/ RENEWAL PROGRAMMES

Not Applicable

APPENDIX N: CAPITAL PROGRAMM BY PROJECT YEAR 0

Not Applicable

APPENDIX O: CAPITAL PROGRAMM BY PROJECT BY WARD YEAR 0

Capital Programme by Project by Ward: Year 0			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Water			
"Project A"			
"Project B"			

Sanitation/Sewerage		
Electricity	22	yes
	23	yes
	21	yes
	24	yes
	14	yes
Housing		
Refuse removal		
Stormwater	5	no
	17	no
	24	yes
Economic development		
Sports, Arts & Culture	1	No
	13	No
	25	No
Environment		
Health		
Safety and Security		
ICT and Other		
TO		

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Not Applicable

APPENDIX Q: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
Clinics:		
None		
Housing:		
None		
Licensing and Testing Centre:		
None		
Reservoirs		
None		
Schools (Primary and High):		
None		
Sports Fields:		
None		

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

NOT APPLICABLE

APPENDIX S: NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	The municipality is committed in improving the access to basic services,	
Output: Implementation of the Community Work Programme	The municipality is implementing the Community Works Programme in Elliotdale wards and in Ward 11 (10 wards)	1100 beneficiaries appointed and currently doing the useful

		community works
Output: Deepen democracy through a refined Ward Committee model	The municipality established the ward committees and the municipality developed the template for ward committee reporting, The municipality is involving the ward committees in all public participation meeting convened such as IDP rep forum and IDP and Budget roadshows. The ward committees were also provided with cellphones for communication and when they calling their meetings these phones also them	85%
Output: Administrative and financial capability	The administrative capacity has improved as municipality appointed the municipal manager, CFO and corporate services senior manager during the year under review, The municipality is also having the financial capacity as the municipality that does not have the overdraft on bank balances	95%